THE INFLUENCE OF SERVICE QUALITY AND SWITCHING COST THROUGH CUSTOMER SATISFACTION AND SWITCHING BARRIERS, TOWARDS SWITCHING INTENTION TO XIAOMI SMARTPHONE

A Study of Smartphone Users in Malang

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A Study of Smartphone Users in Malang

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Malang, May 2018

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Abstract

This research aims at examining the influence of Service Quality, Switching Cost through Customer Satisfaction and Switching Barriers towards Switching Intention. The population of this research is smartphone users in Malang City. This research used quantitative approach employing questionnaire to collect the data. There are 150 questionnaires distributed to every smartphone users in Malang. The collected data were analyzed by using quantitative methods i.e., Partial Least Square Path analysis based on the application named SmartPLS version 2.0.

The results of this research show that there is an influence from direct and indirect influence on the variables used which is Service Quality, Switching Cost, Customer Satisfaction, Switching Barriers towards Switching Intention. In this case, Switching Barriers is not only the most dominant variable that affects the Switching Intention directly, but it also the most dominant variable that mediates the Switching Intention and Service Quality indirectly.

Keywords: Service Quality, Switching Cost, Customer Satisfaction, Switching Barriers, Switching Intention

PENGARUH KUALITAS PELAYANAN, PENGORBANAN UNTUK BERALIH, MELALUI KEPUASAN PELANGGAN DAN HAMBATAN UNTUK BERALIH, TERHADAP NIAT UNTUK BERALIH PADA SMARTPHONE MEREK XIAOMI

Studi pada pengguna smartphone di kota Malang.

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Abstrak

Penelitian ini bertujuan untuk menguji dampak Kualitas Pelayanan, Pengorbanan untuk Beralih, Kepuasan Pelanggan, Hambatan untuk Beralih terhadap Niat untuk Beralih. Populasi untuk penelitian ini adalah pengguna smartphone di Kota Malang. Penelitian ini menggunakan pendekatan kuantitatif dengan kuesioner untuk mengumpulkan data. Ada 150 kuesioner yang dibagikan kepada setiap pelanggan yang sudah memakai smartphone selain merek Xiaomi di Malang. Data yang terkumpul dianalisis dengan menggunakan metode kuantitatif yaitu, analisis Partial Least Square Path menggunakan aplikasi bernama SmartPLS versi 2.0.

Hasil dari penelitian ini menunjukkan adanya pengaruh langsung dan tidak langsung terhadap variabel terikat termasuk pengaruh langsung dan tidak langsung dalam variabel independen yang digunakan yaitu Kualitas Pelayanan, Pengorbanan untuk Beralih, Kepuasan Pelanggan, Hambatan untuk Beralih terhadap Niat untuk Beralih. Sedangkan Hambatan untuk Beralih adalah variabel paling dominan yang mempengaruhi Niat untuk Beralih secara langsung, dan variabel yang paling dominan dalam menjembatani Niat untuk Beralih dan Kualitas Pelayanan secara tidak langsung adalah Hambatan untuk Beralih.

Kata Kunci: Kualitas Pelayanan, Pengorbanan untuk Beralih, Kepuasan Pelanggan, Hambatan untuk Beralih, Niat untuk Beralih

CHAPTER I

INTRODUCTION

1.1 Research Background

The recent advances in modern infrastructure, wireless technology, and devices have increased the internet adoption rate across society layers and countries. The availability of internet usage is the direct benefit of smartphones sales around the world. People with smartphones can easily access information, collaborate and participate in enhancing and spreading information easily. The age of internet is critical to improve quality of life, communicate and participate in social life like never before.

With decreasing boundaries in internet access, social interaction, cheaper technologies handheld devices is gaining widespread popularity. These handheld devices that is used by many people is called Smarphone. A smartphone is a mobile phone that performs functions of a personal computer in a handheld device. A smartphone consists of operating system with applications to perform individual and multiple task, a touchscreen user interface, an internet access, and a high resolution camera to take pictures. As capabilities in a handheld device evolves, the rapid growth of smartphone users is unavoidable for years to come.

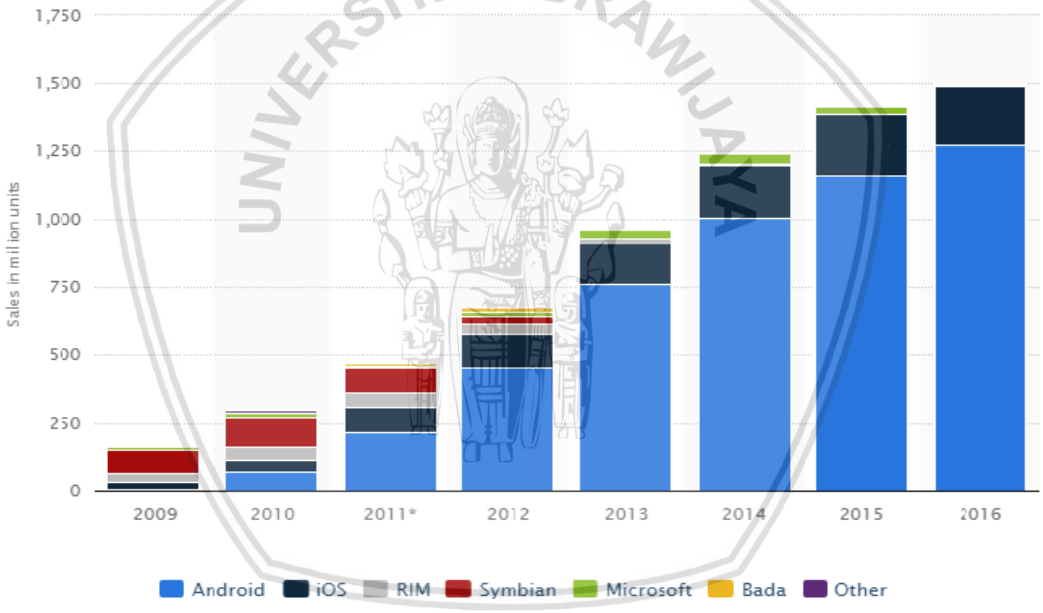
As the use of smartphone increases, mobile phone companies are trying to market and deliver products by keeping consumers interested in buying their products annually. These companies compete through differentiation of products, marketing strategy by using famous brand ambassadors, unique features, and

competitive pricing. As such, competition from these mobile phone companies is a clear advantage for consumers due to various options to choose adjusting the needs of individual consumer.

According to Statista (2016) a company that specializes in statistical datas, it can be seen that the sales of smartphone with popular operating system is increasing from year to year as described in the following graph:

Figure 1.1

Smartphone sales of Global scale range from 2009 to 2016



Source: Statista, 2016

Based on the table above, it can be seen that, smartphone sales in 2013 increased more than 300 million units per year in comparison with sales in 2012 in the global market. Smartphones sold to consumers in the last quarter of 2013, as many as 78 percent who use the Android operating system, equivalent to sales of nearly 220 million units. Based on unit shipments from smartphones, Android's

market share increased rapidly in the early 2014, with more than 80 percent of all smartphone operating systems used in the first quarter of 2014 (Statista, 2016).

In second place, the most popular smartphone operating system is iOS from Apple. Apple has a market share of 17.8 percent in the final quarter of 2013 and sold more than 50 million units. By 2013, a total of over 150 million Apple iPhone units sold worldwide. This is an increase of 125 million units from a year earlier. Based on sales of new smartphones worldwide, Apple's iOS operating system has a 15.5 percent market share in 2014, a decline of 17.9 percent from the previous year. However, Apple smartphone remains very popular in the United States, where the iOS operating system holds 42 percent market share, an increase of 27.3 percent share three years earlier. With that percentage, Android remains the most dominant operating system because it has a large market on a global scale (Statista, 2016).

Android is derived from an open-source Linux operating system. As a branch of Linux, Android is develop and updated annually by Google (Android.com, 2017). This allows mobile phone companies to get into the smartphone market easily so it eliminates the needs to create their own operating system, which is costly to develop. By registering and agreeing to the terms and condition from Google, they obtain an official permission and quality control from Google to distribute Android with their own respective device specifications. Thus, there are many emerging start-up companies which can quickly enter the crowded smartphone market.

Several mobile phone companies with Android operating system continue to increase and dominate in many parts of the world. In Southeast Asia, mobile phone companies such as Samsung, Huawei, Oppo, Lenovo, Xiaomi, and LG is competing fiercely. With Samsung as dominant market leader, an emerging startup companies from mainland China can benefit consumers with smartphones that provide high specifications at an affordable price. This is crucial considering Southeast Asia generally consists of developing countries with low purchasing power. Therefore, price becomes a major role that consumers consider when they intend to switch between brands.

This is where Xiaomi, a 7 year-old startup Chinese company comes in. Xiaomi was established in 2010 and this private company performs a steady increase in domestic and international market by combining highly competitive price with high-end spesification strategy. Given its breakthroughs in the midst of an increasingly sophisticated era, Xiaomi according to the website Detik (2016), Xiaomi succeeded in exploiting opportunities that exist in low end markets, spesifically in Asian regions in search of potential consumer.

Table 1.1

Market Share of Smartphone Vendors

Top Five Smartphone Vendors, Shipments, Market Share and Year-Over-Year Growth, Q4 2015 Preliminary Data (Units in Millions)					
Vendor	4Q15 Shipment Volumes	4Q15 Market Share	4Q14 Shipment Volumes	4Q14 Market Share	Year-Over-Year Growth
1. Samsung	85.6	21.4%	75.1	19.9%	14.0%
2. Apple	74.8	18.7%	74.5	19.7%	0.4%
3. Huawei	32.4	8.1%	23.6	6.3%	37.0%
4. Lenovo	20.2	5.1%	14.1	3.7%	43.6%
5. Xiaomi	18.2	4.6%	16.5	4.4%	10.0%
Others	168.3	42.1%	174.0	46.1%	-3.3%
Total	**399.5**	**100.0%**	**377.8**	**100.0%**	**5.7%**

Source: IDC Worldwide Quarterly Mobile, 2016.

Based on the presented data, Xiaomi ended the year 2015 with a year-on-year growth of 10 percent, with market share growth in the fourth quarter of 2014 from 4.4 percent, to 2015 with 4.6 percent market share. Xiaomi has 2 percent market share, which is sufficient, coupled with an increase in sales of 16.5 million units to 18.2 million units. Although Xiaomi does not occupy the highest sales, it is still a remarkable achievement considering the company's age.

With diversity of options, consumers are free to switch smartphone brands according to their own choice. Either based on price or other factors. Things like the subculture, social class and the same job may differs among people (Kotler and Ketler 2016: 175). The desire to switch comes from the diversity of products offered. This happens because of dissatisfaction and problems with products that have been purchased. The basic theory of Switching Intention according to Keaveney (1995) said that consumer ignorance and price are some of the many

factors that can cause consumers to switch to other service providers. Another theory to support this switching attitudes among customers according to Bansal & Taylor (1999), Switching Intention is the intention of brand switching by consumers for some specific reasons or is also interpreted as the vulnerability of consumers to move to other brands. Consumer brand appraisal can arise from a variety of variables such as consumer experience with previous products and consumer knowledge of the product. The consumer experience in using the product can bring commitment to the brand of the product. Additionally, the mediating variables which is Customer Satisfaction and Switching Barriers were found to be important determinants of Switching Intention, (Bansal & Taylor, 1999, pp. 213-214), therefore the two mediating variable for the purpose of this research is justified.

Service Quality is a statement of attitudes showing the relationship resulting from the comparison between expectations and performance (Usmara, 2003: 231). According to Tjiptono (2006: 59), service quality is the level of excellence expected and control over the level of excellence to meet customer desires. As customer desires and expectation plays an important role, it can be concluded that if the service received by customer is lower than expected then the quality of service is perceived as poor quality.

According to Mowen and Minor (1998), Customer Satisfaction is defined as the overall attitude shown by consumers concerning goods or services after the customer is polishing and using it. In a broader sense, Kotler and Keller (2016) explain Customer Satisfaction as things associated with feelings of pleasure or disappointment of someone who emerges after comparing perceived product

performance to the expected performance. If the performance of the product does not meet expectations, there will be dissatisfaction. But when a product has performance at least equal or exceeds customer expectations, eating will create satisfaction.

Switching Cost is one of the categories in Switching Barriers that arise from an analysis (Colgate and Lang, 2001). Switching costs have been identified as contributing factors in maintaining relationships (Colgate and Lang, 2001). It is important to know that the Switching Cost strategy has been the strategy used to lock or term "lock-in" customers, preventing them from moving to other providers or service providers. Switching Cost can also create consumer dependence on a provider (Morgan and Hunt, 1994).

In order to provide one customer value and anticipate the customer for not to switch to another smartphone vendor, the company needs to build the barriers that bind the customer, to keep customers using their products. These obstacle, according to Jones (2000: 261) is called the Switching Barrier namely all factors that make consumers feel difficult to switch brands. Switching Barrier is a factor that influences the customer's decision to keep using a particular service provider. These factors make customers feel reluctant to switch brands, so customers continue to consume the same brands they have chosen before.

With smartphone brand disparity in the global scale, customers can switch brand at ease. A small differences in value and price can make large differences to customers. This is true in many Asian countries because in this region customer are quick to switch to another brand because of the availabity and diversity of

smartphone manufacturer. One of these countries is Indonesia. According to Ministry of Communication and Informatics of Indonesia, Indonesia is "the sleeping Asian digital technology giant" with 250 million population. Indonesian smartphone users are also growing rapidly. Digital marketing research institute Emarketer estimates that by 2018 the number of active smartphone users in Indonesia is more than 100 million people. With that amount, Indonesia will be the country with the fourth largest smartphone active users in the world after China, India, and America (Kominfo, 2016).

Among the major cities with large percentage of smartphone user in Indonesia, the city of Malang is no exception. This city is experiencing rapid development in recent years, due to many local students and undergraduate students who come to this city. Of course, the students generally have smartphones with different brands as well. This is certainly in line with the target market residing in Southeast Asia region which is the backbone of their product sales. For this reason, the researcher is interested in doing further research concerning this issue.

Based on the above mentioned descriptions of the various components of marketing science, as well as factors from the rapid development of Malang city as a student city, the researcher is interested in conducting further research in order to examine, the extent to which components of indepent variables from; ***Service Quality***, ***Switching Costs***, and the mediating variables ***Customer Satisfaction***, ***Switching Barriers*** towards the dependent variable ***Switching Intention*** of Smartphone users with regards to Xiaomi brand in Malang city.

Detailed formulation of the problem and objectives in this research will be explained further by the researchers in the article below.

1.2 Research Questions

1. Is there any direct influence of Service Quality that contributes to Customer Satisfaction?
2. Is there any direct influence of Switching Cost that contributes to Customer Satisfaction?
3. Is there any direct influence of Service Quality that contributes to Switching Barriers?
4. Is there any direct influence of Switching Cost that contributes to Switching Barriers?
5. Is there any direct influence of Customer Satisfaction that contributes to Switching Intention?
6. Is there any direct influence of Switching Barriers that contributes to Switching Intention?
7. Is there any indirect influence of Service Quality that contributes to Switching Intention through Customer satisfaction?
8. Is there any indirect influence of Switching Cost that contributes to Switching Intention through Customer satisfaction?
9. Is there any indirect influence of Service Quality that contributes to Switching Intention through Switching Barriers?
10. Is there any indirect influence of Switching Cost that contributes to Switching Intention through Switching Barriers?

1.3 Research Objectives

1. To know the direct influence of Service Quality towards Customer Satisfaction.
2. To know the direct influence of Switching Cost towards Customer Satisfaction.
3. To know the direct influence of Service Quality towards Switching Barriers.
4. To know the direct influence of Switching Cost towards Switching Barriers.
5. To know the direct influence of Customer Satisfaction towards Switching Intention.
6. To know the significant direct influence of Switching Barriers towards Switching Intention.
7. To know the indirect influence of Service Quality towards Switching Intention through Customer Satisfaction.
8. To know the indirect influence of Switching Cost towards Switching Intention through Customer Satisfaction.
9. To know the indirect influence of Service Quality towards Switching Intention through Switching Barriers.
10. To know the indirect influence of Switching Cost towards Switching Intention through Switching Barriers.

CHAPTER II

LITERATURE REVIEW

2.1 Previous Research

Some previous researcher were reviewed to facilitate the collecting of data, analytical method, and data processing. The review of previous researcher is summarized as follow:

Table 2.1

Previous Research Summary

Num	Name and Title	Research Variable		Analysis Instrument & Approach	Results
		Independent Variable	Dependent Variable		
1	Parasuraman, A, Zeithaml, V.A., Berry, L. L., (1985) *"A Conceptual Model of Service Quality and Its Implication for Future Research"*	*Service Quality*	*Implication for Future Research*	*Confirmatory Factor Analysis (CFA), Gap-Analysis, Exploratory Investigation : (Executive Interviews & Focus Group Interviews)*	The research pinpointed four key discrepancies or gaps on the service provider's side that are likely to affect service quality as perceived by consumers.
2	*Jiwat Ram MingLu Wu, (2016) "A fresh look at the role of switching cost in influencing customer loyalty"*	*Switching Cost*	*Customer Loyalty, Customer Satisfaction, Brand Image*	*Structural Equation Model (SEM), Mediating Effects*	The study highlights that building burden of switching cost to retain customers may not always help achieve success.

Continue to the next page

Table 2.1 Continued

Num	Name and Title	Research Variable		Analysis Instrument & Approach	Results
		Independent Variables	Dependent Variables		
3	Pieter J.A. Nagel Willem W. Cilliers (1990) *"Customer Satisfaction: A Comprehensive Approach"*	*Customer Satisfaction*	*Service Quality,*	*Confirmatory Factor Analysis (CFA), Gap-Analysis* *External service performance, Internal Service Performance*	The results showed that the importance of maintaining the customer satisfaction strategy through service quality was critical.
4	Colgate and Lang. (2001) *Switching Barriers in Consumer Markets: an investigation of the financial services industry.*	*Switching Barriers*	*Consumer Markets, Financial Service Industry*	*Confirmatory Factor Analysis (CFA),*	Results from over 400 consumers enable them to ascertain not only the importance of each switching barrier but also to develop a more parsimonious understanding of these barriers
5	Rodrigo C.M., Luis Fernando, Jorge Brantes. (2011). "*Mobile Users Switching Intention: A Comparative Study between Brazilian and German Markets. "*	*Switching Intention*	*Service Performance/Quality, Service Value, Customer Satisfaction, Switching Cost, Customer Lock-In, Switching Barriers*	*Confirmatory Factor Analysis (CFA)*	The result can be construed as evidence that in both countries, dissatisfied users are more likely to switch carriers.

Source: Researcher's, 2017

According to the table above it can be pointed out that there is indeed some similarities with previous and current research. However, there are also

some differences such as research object, research sample, research method, research result, and the implications of research result.

2.2 Smartphone

At present, smartphones are represented as the fastest growing market segment in the telecom industry. The sales of smartphones have grown globally by 26% in 2015 and have captured more than half of the telecom market in the world (Cecere, 2015)., Based on the processing capabilities and supporting characteristics, smartphones are defined as a class of electronic devices that incorporate multiple computing capabilities into the basic form of a cellular phone. It has become the chosen device around which governance, commerce, education and tele-medicineinitiatives depend (J Jena, Sumati Sidharth, 2016). Smartphones are used for a wide range of tools, from voice phone calls, to sending messages, e-mailing, web surfing, file downloading, accessing and sharing news and other information, calendar and scheduling, playing games, participating in several social media and communities, etc. (Wan Kim, 2016).

2.2.1 Smartphone Usage

Smartphones support the following activities:

(1) Access content - ability to search for information, watch TV and movies, read newspapers, listen to music, use maps, access information about transportation, book tickets, use Internet banking, shop, and play games (Choi and Han, 2006; Kim et al., 2006).

(2) Engage in communication - ability to use instant messaging, send e-mails, take photographs and send pictures or videos, and use Facebook or Twitter(Ledbetter, 2011).

(3) 2009); and participate in communities - ability to conduct meetings, join online clubs or communities, post replies online, use bulletin boards, use Internet public services, and participate in public debates (Rheingold, 1993; Kozinets, 1999).

2.3 Marketing

2.3.1 Marketing Definition

Marketing is the main foundationin business and society. The ability to recognize the needs and desires of consumers and combine it with market conditionsis a key activity for a company tobe able to maintain the viability of the company to remain in existence.Marketing is not like any other business function. In this case, marketing deals with customers. Although a detailed explanation on the definitions marketing will be further discussed, perhaps the simplest definition of marketing is: *Marketing is managing profitable customer relationship.* The twofold goal of marketing is to attract new customers by promising superior value and keep and grow current customers by delivering satisfaction (Kotler and Armstrong, 2012: 4).

American Marketing Association (AMA) in Ferrel and Hartline (2008:7), recently changed the definition of marketing after 20 years from 1985 to 2005. In 1985 AMA define marketing as the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives. And in 2005 AMA changed the definition of marketing to better reflect the realities of competing in today's marketplace:

> ”*Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to costumer and for managing customer relationships in ways that benefit the organization and stakeholders.”*

According to Kotler and Armstrong (2012:5), marketing is social and managerial process by which individuals and organizations obtain what they need and want through creating and exchanging value with others. In a narrower business context, marketing involves building profitable, value-laden exchanges relationships with customers. Hence, marketing is defined as the process by which companies create value for customers and build strong customer relationship in order to capture value from customers in return.

Based on definitions above we can conclude that marketing is a set of processes to build strong relationships with customers by delivering value and obtaining value in return in ways that would benefit an organisation and its stakeholders.

2.3.2 Marketing Process

Kotler and Armstrong (2012:5) explain about five-step model of marketing process. In the first four steps, companies work to understand consumers, create customer value, and build strong customer relationships. In the final step, companies reap the rewards of creating superior customer value. By creating value for consumers, they in turn capture value from consumers in the form of sales, profits, and long-term customer equity.

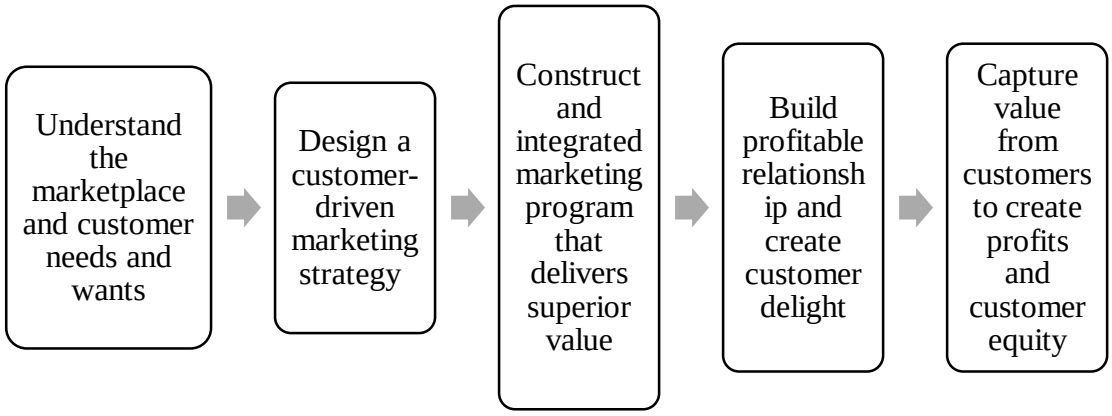


Figure 2.3.2

Step of the Marketing Process

The important figure above shows by creating value for customers, marketers capture value from customers in return.

2.3.3 Marketing Strategy

According to Ferrel and Hartline (2008:17), marketing strategy is a plan for how the organization will use its strength and capabilities to match the needs and requirements of the market. A competitive advantage is something that the firm does better than its competitors and gives it an edge in serving customers' needs and/or maintaining mutually satisfying relationship with important stakeholders (Ferrel and Hartline (2008:16). In order to gain this advantage, a business or company must have a good strategy that will be implemented in their market segment. To be successful a marketer must see the marketing function in order to develop a well-planned marketing strategy.

The strategic plan defines the company's overall mission and objectives. Marketing's role is to summarize the major activities involved in managing a customer-driven marketing strategy. However, making a decision in order to

fulfill consumer desire is not easy. Marketing manager must take major decision such as the price that should be offered, what design or features to the product, where the product or services take place. All these decision must be considered, because, marketing strategy is the marketing logic by which the company or business expects to create customer value and achieve profitable relationship (Kotler and Armstrong 2012:48).

2.4 Service Quality

2.4.1 Definition of Service Quality

Service quality is a measure of how well the service level delivered matches customer expectations. Delivering quality service means conforming to customer e xpectations on a consistent basis. (Lewis and Booms 1983). In line with this thinking, Gronroos (1982) develop a model in which he contends that consumers compare the service they expect with perceptions of the service they receive in evaluating service quality.

Smith and Houston (1982) claim that satisfac-tion with services is related to confirmation or disconfirmation of expectations. They based their re-search on the disconfirmation paradigm, which maintains that satisfaction is related to the size and direction of the disconfirmation experience where disconfirmation is related to the person's initial expectations (Churchill and Suprenaut 1982).

Satisfaction is an immediate response to consumption, while service quality is interpreted as the overall impression of a customer's judgment concerning service provided (Bitner and Hubbert, 1994; Culiberg, 2010).

Service quality is influenced by expected service and perceived service. If services are received as expected, the service quality is satisfactory, but if the

services received exceed their expectations, customers will be delighted, and will perceive service quality as excellent and vice versa (Parasuraman et al., 1985).

2.4.2 Service Quality Dimensions

The evaluation of service is generally assessed through the service quality procedure known as SERVQUAL, which contains five dimensions: reliability, responsiveness, assurance, empathy, and tangibles, which employs a 22-item instrument for measurement(Parasuraman et al., 1985).

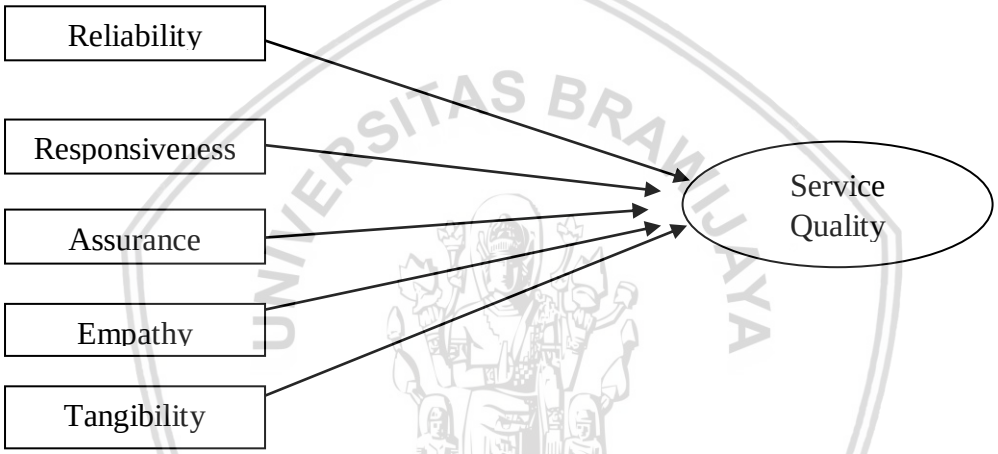


Figure 2.4.2

Five Dimensions of Service Quality

Source: (Parasuraman, 1985)

2.5 Switching Cost

2.5.1 Definition of Switching Cost

Switching cost is defined as “the total cost involved in changing from one service provider to another” (Aydin et al., 2005). It serves as a deterrent to customers switching from oneprovider to the other. Switching cost is considered to include cost in monetary terms as well as the time and psychological effort that would be required to deal with a new serviceprovider, uncertainty involved in the

process, and the knowledge invested in understanding ofproducts, services, or relationships (Dick and Basu, 1994).

Park et al. (2014) highlight that switching costs positively influence continuous intention to use, which in effect should help in achieving customer loyalty. Vasudevan et al. (2006) highlight the importance of building relationships with the customer to create relationship switching barriers.

2.6 Customer Satisfaction

2.6.1 Definition of Customer Satisfaction

Increasing number of companies offering services require that every company must put orientation on customer satisfaction. Until now it was believed that the key to winning the competition among companies in the services sector is to increase the value or more to customer satisfaction through service or deliver a product or service quality.

Customer satisfaction has become a central concept in the theory and practice of marketing, and is one of the essential goals of the business activity. Customer satisfaction contributes to a number of crucial aspects, just as the creation of customer loyalty, enhance the reputation of the company, reduced price elasticity, reduced future transaction costs, and improve the efficiency and productivity of employees.

According to Kotler in Lupiyoadi (2001: 158) is the satisfaction level of feeling which the person claims the comparison of the performance of the products or services that are accepted and expected. Definition of customer satisfaction according to Lovelock and Wright (2007:96) is a short-term emotional reaction to the performance of customer service. Customer Satisfaction is

response to the evaluation of the difference between the initial perception before purchase (other performance standard) and actual performancw as perceived after using or consuming the product concerned (Fornell in Tjiptono, 2008:169).

From some of the above definition of customer satisfaction could mean that the customers basically assess their satisfaction or not satisfied with a product in a way that their performance compare with experience with a level of expectation that has been partially contained in the minds or their minds. Discontent will arise after consumer use of products or services purchased experiencing then felt that the performance or service does not comply with consumer expectations. Dissatisfaction can adversely affect a product or service that will be the loss of customer loyalty, reduced the possibility of repeat purchase, and a complaint. Because the consumer is a person who assesses the performance of a person or company, only customers who can determine whether or not the quality of the products they use and they also are assessing whether the services are provided in accordance with their needs.

2.6.2 Customer Expectation

According to Lovelock and Wright (2007:93) customer expectation is the internal standard used to judge the quality of a customer service experience. Definition of customer satisfaction by Santos & Boote in Tjiptono (2008:86) is The best level of performance expected maximum or acceptable to consumers. Standard ideal synonymous with perfection, the perfect standard that form the greatest expectations of consumers.

According to Kotler and Keller (2008:382) customers from service

expectation from many sources, such as past experience, word of mouth, and advertising.

2.6.3 Measurement of Customer Satisfaction

Customer satisfaction can be measured by a variety of methods and techniques. According Tjiptono (2008: 175), keeping various methods of measuring customer satisfaction is summarized as follows:

1. Complaints and Suggestions System
    a. Such as suggestion boxes at strategic locations, stamped postal cards, toll-free phone line, website, email, fax, blogs, and others.
    b. Ghost Shopping
2. One form of participatory observation research is using the services of people who are posing as a customer and competitor companies while observing in detail the aspects of service and product quality.
3. Lost Customer Analysis

    Contact or interview customers who have switched suppliers in order to understand the cause and perform repair service.
4. Customer Satisfaction Survey

    Via post, telephone, email, website, blog, or face to face. Until now, survey is the method most popular and thrive in the literature measuring customer satisfaction.

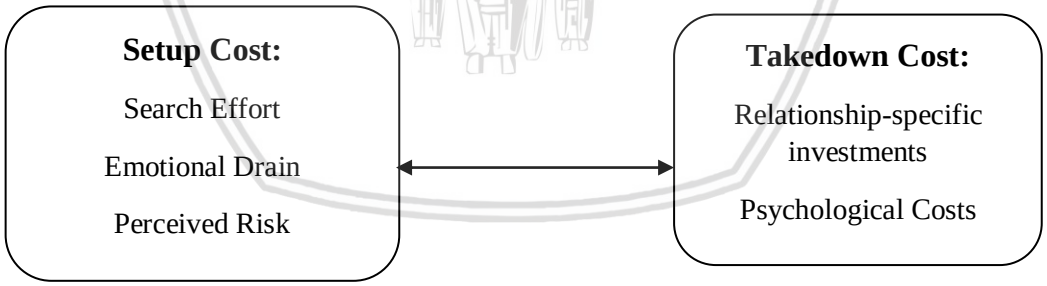
2.7 Switching Barriers

2.7.1 Definition of Switching Barriers

A switching barrier is any barrier or obstacle that makes it difficult to change service provider. As the tolerance zone (defined later) framework is a relatively new approach to the literature (Voss et al., 1998; Zeithaml, 2000). Berry and Parasuraman (1991) also suggest that effective relationship-specific investment increase customers' dependency because they raise the cost of switching to competitors.

By Switching to a competitor, the customer would lose the benefits from the relationship-specific investments not readily available from the competitors. Jones et a,(2000) also discovered an indirect empirical link between interpersonal relationships and repurchase intention. This suggested that, in situations of low customer satisfaction, strong interpersonal relationships positively influence the extent which customers intend to repurchase. These result suggest that relationships do act as a barrier to switching.

2.7.2 Switching Barriers Parts



Source: Weiss and Anderson (1992)

Figure 2.7.2 Switching Barriers Parts

Weiss and Anderson (1992) divide switching barriers into setup and takedown costs, which customers have to bear when considering switching suppliers. Setup costs include search effort, emotional drain from establishing a

new interpersonal relationship and the perceived risk that a new service provider might not perform equal to or better thanthe current supplier.

Takedown costs, on the other hand, include relationship-specific investments made by the customer that have no value outside the current relationship.For instance, takedown costs may include psychological costs of terminating a closerelationship, being recognised and treated well by staff.

2.8 Switching Intention

2.8.1 Definition of Switching Intention

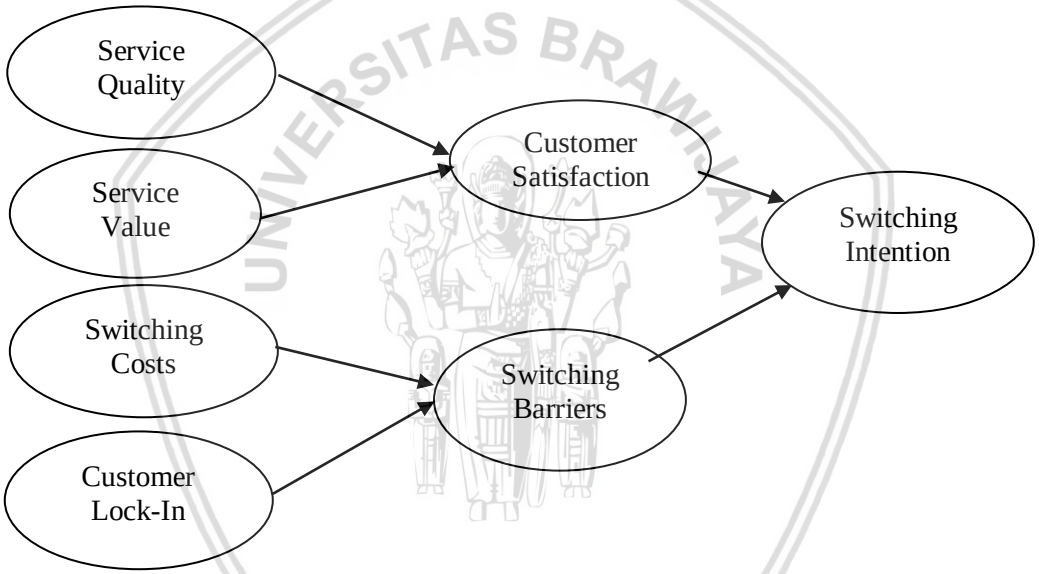
Switching intention comes from the available diversity of other product offerings, or because of problems with purchased products. Switching Intention is defined as the preferred freedom of choice for a specific item (Menon da Khan, 1995).

Keaveney (1995) in his research on switching intention in the service industry said that consumer ignorance and price are some of the many factors that can cause consumers to switch to other service providers when there is a new service provider more expensive.

According to Dharmmesta (1999) brand switching intention is the intention of consumer switching by consumers for some specific reasons or is also interpreted as the vulnerability of consumers to move to other brands. Consumer brand appraisal can arise from a variety of variables, such as consumer experience with previous products and consumer knowledge of the product. The consumer experience in using the product can bring commitment to the brand of the product.

2.8.2 Factors Influencing Switching Intention

Shin and Kim (2008), try to assess the relationships between the constructs value, service quality, switching costs, lock in satisfaction and perceived switching barriers, while also evaluating their influence on the switching intention of subscribers in the mobile industry. Their findings, suggest that both consumer satisfaction and switching barriers impacted intentions and attitudes to switching. A significant relationship was also found between the perceived quality of service (perceived performance) and customer satisfaction, implying an indirect effect on intention to switch.

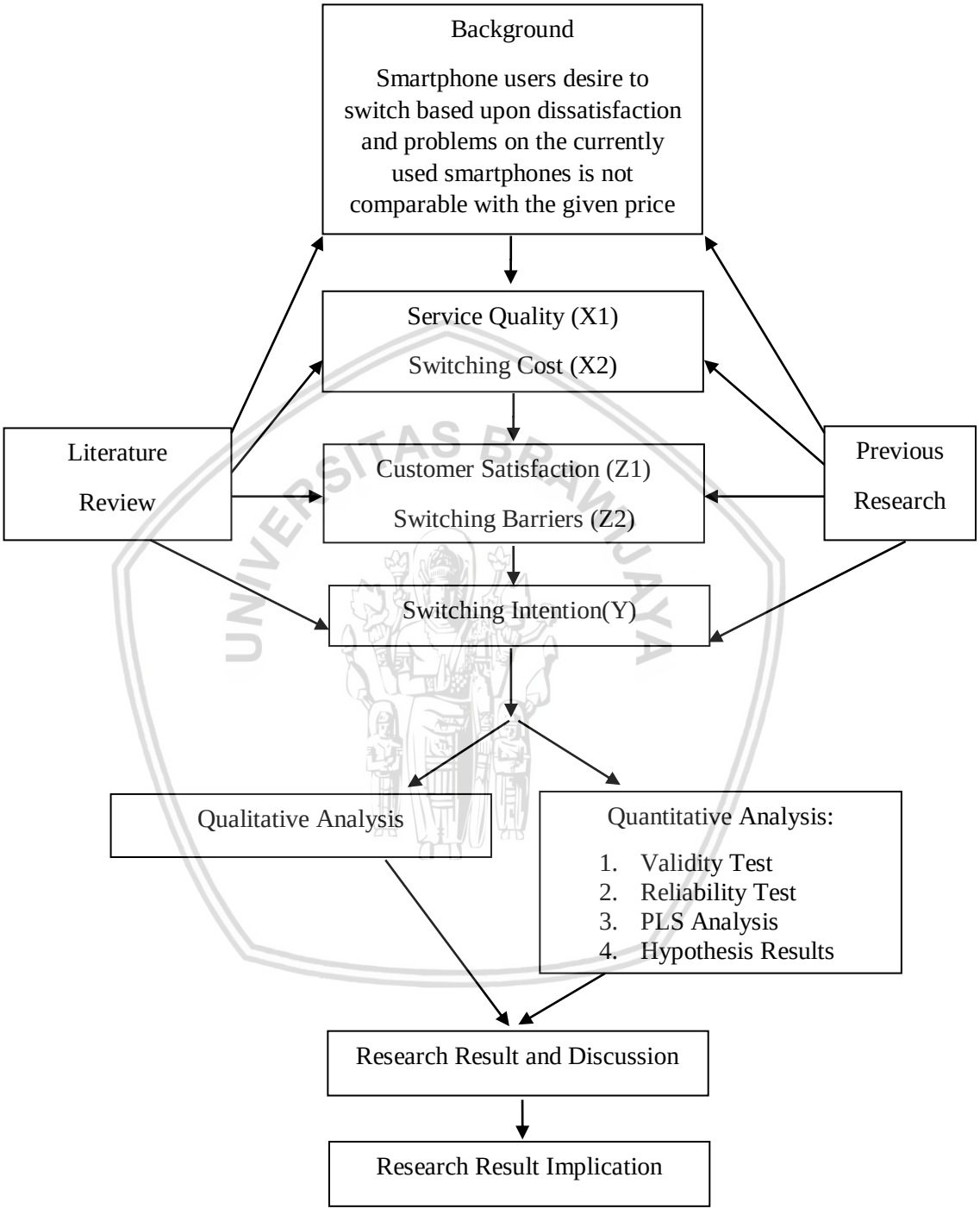


Source: (Shin and Kim 2008)

Figure 2.8.2

Factors influencing Switching Intention

2.9 Research Framework



Source: Researcher, 2017

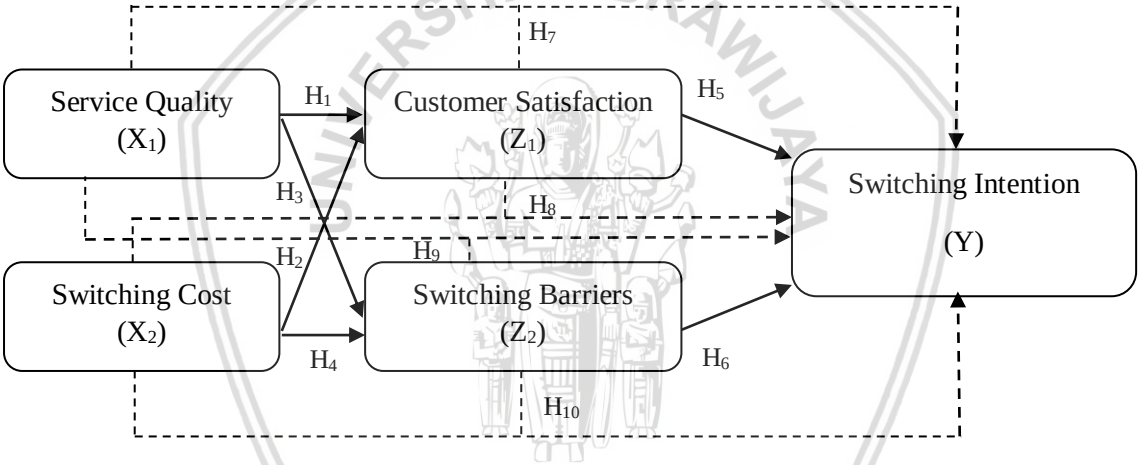
Figure 2.9

Research Framework

According to Sekaran (2003:29) conceptual framework is a developed, described, and explained network of associations among variables of interest to the research study. While according to Maholtra and Birks (2006:58) research design is a framework or blueprint for conducting the marketing research project. It specifies the details of the procedures necessary for obtaining the information needed to structure or solve marketing research problems.

2.10 Hypothesis Model

2.10.1 Hypothesis Model Framework



Source: Researcher, 2017

Figure 2.10.1

Hypothesis Model

According to Arikunto (2006), hypothesis is a tentative answer to the research problem, proven by data collected. Based on the problems of the study that have previously mentioned,the hypotheses presented in this study as folow:

2.11 Research Hypothesis

The hypothesis is a temporary answer to the formulation of problems. It is temporary because the answer given is still based on relevant theory not based on empirical data that is acquired through data collection (Sekaran, 2003:103). Based on problems collected above; therefore, the hypotheses of this research are as follow:

1. H_1. There is a direct influence of Service Quality that contributes to Customer Satisfaction.
2. H_2. There is a direct influence of Switching Cost that contributes to Customer Satisfaction.
3. H_3. There is a direct influence of Service Quality that contributes to Switching Barriers.
4. H_4. There is a direct influence of Switching Cost that contributes to Switching Barriers.
5. H_5. There is a direct influence of Customer Satisfaction that contributes to Switching Intention.
6. H_6. There is a direct influence of Switching Barriers that contributes to Switching Intention.
7. H_7. There is an indirect influence of Service Quality that contributes to Switching Intention through Customer Satisfaction.
8. H_8. There is an indirect influence of Switching Cost that contributes to Switching Intention through Customer Satisfaction.
9. H_9. There is an indirect effect of Service Quality that contributes to Switching Intention through Switching Barriers.

10. H_{10}. There is an indirect effect of Switching Cost that contributes to Switching Intention through Switching Barriers.

CHAPTER III

RESEARCH METHOD

The purpose of research method is guiding process of data collection until data analysis. It is intended to provide a clear direction in the discussion. Furthermore, in order to provide the necessary direction, this chaper takes the following components.

3.1 Type of Research

Based on the explanation related to the research problems and objectives which are previously mentioned, this research uses quantitative approach. The type of this research is an explanatory research with survey technique. The term explanatory research implies that the research questions are intended to explain, rather than simply to describe the phenomena studied and traditionally, the research is denoted by the term explanatory research has been quantitative in nature and has typically tested prior hypotheses by measuring relationships among variables (Maxwell *et al*. 2008).

This research was conducted by taking a sample of the population and the questionnaire as a tool to measure the primary data collection, and describes the relationship between variables. The method used in this study is a survey method. This method is the application of standardization in asking questions. This research did data collection by asking questions which is structured, verbal and written, or via a computer and the internet. The question is set out in a formal questionnaire, then asked directly by a certain order to the respondent.

3.2 Research Location

Research location is the source of data considered as population, so it can be taken as a research subject. Research location is also a reflection of the real condition of the object which is very useful to obtain additional data related to the research. The location of this research is Malang city. This city experienced rapid development in recent years, due to many local students and undergraduate students who come to this city. These students generally have Smartphones with different brands as well. With Smartphone brands disparity available in this city the research object is readily available in Malang.

3.3 Population and Sample

This study uses a survey approach. Due to that reason, population and sampling are needed to restrict the research object or subject. Population and sample of this research are explained below.

3.3.1 Population

According to Sekaran (2003:265), the definition of the population refers to the entire group, events or things of interest that the researchers wish to investigate. The object or subject that has certain qualities and characteristics which has been identified by the researchers to be studied and then drawn conclusions. The population of this study is all smartphone users that use non Xiaomi smartphone customers of Xiaomi's brand in Malang.

3.3.2 Sample

According to Sekaran (2003:266), sample is a subset of the population which comprises some members selected from it. If the population is large, and the researcher could not learn all within population, for example due to lack of fund, time, and energy, the researcher can use the sample which is taken from the population. In determining the amount of sample's member, according to the opinion stated by Roscoe (1975) in Sekaran (2003:295), there are some determined rule of sample measurement as follows:

1. Sample amount is more than 30 and less than 500 is appropriate for many researches.
2. Sample is divided into sub-sample like male and female, minimum amount of sample is 30 is appropriate.
3. In multivariate analysis, the sample amount is ought to be several times (10 times more preferable or more) larger than the amount of variables within the study.
4. For a simple experimental research with a tight experiment control (match, pairs, and others), a successful research involves the sample amount between 10 and 20.

This research encompass 5 different examined variables (*Service Quality, Switching Cost, Customer Satisfaction, Switching Barriers,* and *Switching Intention)*. Based on the opinion of Roscoe above, the sample size must be 10 times or more as large as the number of variables in the research and the sample sizes larger than 30 and less than 500 are still appropriate. Therefore, the researcher has decided to use the sample size 30 times (more than 10 time), and

the number of respondents in this research was 150 (larger than 30 and less than 500) respondents in total. The number of 150 respondents were obtained from the results of counting the number of 30 sample size multiplied by 5 variables (30 x 5 = 150). In addition, the number of 150 respondents has been categorized into the rules of decent sample size in a research like that has been expressed by Roscoe (1975) stating that the rules regarding decent sample to be studied is 30 to 500.

3.4 Sampling Technique

In this research, the sampling technique used is the non-probability sampling with purposive approach. In non-probability sampling designs, the elements in the population do not have any probabilities attached to their being chosen as sample subjects (Sekaran 2003:276). Sample in non-probability technique cannot be confidently generalized to the population. Purposive sampling has been taken as the parameter of this research because it will be more valid to get information from specific target groups. According to Sekaran (2003:277), purposive sampling is confined to specific types of people who can provide the desired information, either because they are the only ones who have it, or conform to some criteria set by the researcher. Sampling considerations used in this research are:

1. Respondent have the age of ≥ 15 years old.
2. Respondent who have already had smartphones and are familiar using them in daily life.
3. Respondent who use smartphones other than Xiaomi brand.
4. Respondent who have already heard or known about Xiaomi's Smartphone.

3.5 Source of Data

To finish this research, a complete and accurate data is absolutely required to support it. There are two types of data which is used in this research namely primary data and secondary data:

1. Primary Data

   According to Sekaran (2003:219), primary data refers to information obtained firsthand by the researcher on the variables of interest for the specific purpose of study.

2. Secondary Data

   According to Sekaran (2003:219), secondary data refer to information gathered from sources that already exist.

3.6 Data Collection Technique

Data collection technique is used to collect data from the sources. The data that have been collected are gathered for purposes of analyzing, testing hypotheses, and answering research question (Sekaran, 2003:219). Data collection technique or how to obtain information and data from various sources is conducted by:

1. Distributing Questionnaire

   According to Maholtra and Birks (2006:224) survey techniques are based on the use of structured questionnaires given to a sample of a population. For example, a possible application of survey research in a business context might include the activity of analyzing how effective mass media is in helping the company to form and shift public opinion. Questionnaire is a structured technique for data collection consisting of a

series of questions as measuring instruments to obtain information from the respondents (Maholtra and Birks, 2006:326). Moreover, questionnaire can be a list of open statements, if the answer is not predetermined, whereas if alternatives are closed and the answer has been provided.

a) Personally administered questionnaire

The questionnaire administered by the researcher in the field. The main advantage of this research is any doubts that the respondent might have on any question could be clarified on the spot. The researcher is also afforded the opportunity to introduce the research topic and motivate respondents to offer their frank answers (Sekaran, 2003:236)

b) Mail Questionnaire

Mail or web questionnaire is a questionnaire that is distributed through electronic mail or web link and sent in to the respondent. The advantages using this technique are it covers wide geographical area in the survey and it is easy because respondent can fill the questionnaire at their homes at a certain pace (Sekaran, 2003:237).

2. Literature Study

Literature study is the search of additional data that is written in books, journals, and minor thesis.

3. Interview

One method of collecting data is to interview respondents to obtain information on the issues of interest. Interview could be unstructured

or structured, and conducted either face to face or by telephone or online (Sekaran, 2003:225).

3.7 Operational Definition of Variables

According to Sekaran (2003:176) operational is defined as a concept to render it is measurable and this is done by looking at the behavioral dimensions, facets, or properties denoted by the concept. These are then translated into observable and measurable elements to develop an index of measurement of the concept. This research is intended to clarify the concept that has been there and can limit a research to make a research clear. The operational variables used in this research are *Service Quality* and *Switching Cost* as X or independent variable, *Customer Satisfaction* and *Swithing Barriers* as Z or mediating variable and *Switching Intention* as Y dependent variable.

Table 3.7

Variable and Research Item

Variable	Indicator	Item	Source
Service Quality (X_1)	Responsiveness	The responsiveness of aftersales service from current smartphone brand.	Prof. Dr. Muhammad Ehsan Malik, Muhammad Mudasar Ghafoor, Hafiz Kashif Iqbal (2012) Paul C.S. Wu, Gary Yeong-Yuh Yeh, Chieh-Ru Hsiau (2011)
	Assurance	The assurance by warranty given from current smartphone brand.	
	Tangible	The build quality of materials and aesthetic appearances from current smartphone brand.	
	Reliability	The experiences while using current smartphone brand.	

Continue to the next page

Table 3.7 Continued

Variable	Indicator	Item	Source
	Empathy	The care and attention that were given by the manufacturer from current smartphone brand.	
Switching Cost (X_2)	Sacrifices	The costs of relearning to use a new smartphone brand.	Prof. Paul Klemperer, (1995)
		The uncertainty about the quality of an untested smartphone brand.	
		The needs for compatibility with an existing smartphone brand ecosystem.	
Customer Satisfaction (Z_1)	Customer Emotions	The customer experiences current smartphone brand.	Milfelner (2009) Zeitaml, Bitner, and Gremler (2009)
	Product and Service Features	The product or service offered by current smartphone brand meets customers' demand.	
	Attribution for Service or Failure	The expectation of current smartphone brand services fit the reality	
Switching Barriers (Z_2)	Barriers	The feel of confidence that the current smartphone brand provides the best deal.	Mark Colgate (2001), Bodo lang (2001)
		The sense of loyalty to current smartphone brand	
		The current smartphone brand suits the safety needed compared to other smartphone brand.	

Continue to the next page

Table 3.7 Continued

Variable	Indicator	Item	Source
Switching Intention (Y)	Predisposition to Switch	The high probability to switch to Xiaomi smartphone brand.	Rodrigo Ciaravolo Martins (2011)
		The product choices within the current smartphone brands are limited compared to Xiaomi smartphone brand.	
	Relationship Dissolution	The feel of confidence that Xiaomi will give the better experience compared to current smartphone brand.	Luis Fernando Hor-Meyll (2011)
		The smartphone brand currently used has an unattractive aesthetic compared to Xiaomi's smartphone.	Carmen Antón et al (2007)

Source: Researcher, 2017

3.8 Measurement Scale

The data analysis involves the identification and measurement of variation in a set of variables, either among themselves or between a dependent variable and one or more independent variables (Hair *et al*. 2009:6). The measurement scale used in this research is Likert scale. According to Maholtra and Birks (2006:304), Likert scale is a measurement scale with five response categories ranging from 'strongly disagree' to 'strongly agree' that require respondents to indicate a degree of agreement or disagreement with each of a series of statements related to the stimulus objects. The data will be collected through a questionnaire, and then processed into quantitative form by setting answer scores of questions that have been answered by the respondent, where scoring is based on the following provisions.

Table 3.8

Likert Scale

Strongly Disagree	Disagree	Neither Agree or Disagree (Neutral)	Agree	Strongly Agree
1	2	3	4	5

Source : Sekaran (2003:197)

3.9 Validity and Reliability Test

3.9.1 Validity Test

According to Hair *et al.* (2009:8), validity is a degree to which a measure accurately represents what is supposed to measure. Ensuring validity starts with a throughout understanding of what is to be measured and then making the measurement as "correct" and accurate as possible. Content validity can be made by comparing the contents of the draft with the instruments that have been set. A questionnaire is declared valid if each point of questions on a questionnaire is able to reveal something that will be measured by the questionnaire.

3.9.2 Reliability Test

For the reliability test, the researcher uses a Cronbach Alpha method. According to Hair *et al.* (2009:9), if validity is assured, a research still must consider a reliability of the measurements, in other hand, reliability itself is a degree to which the observed variable measures the "true" value and is "error free". Thus, it is an opposite of measurement error. According to Maholtra and Birks (2006:314), an instrument could be said reliable if the Cronbach Alpha

score is greater than > 0,6. Croanbach Alpha itself is a measure of internal consistency reliability that is the average of all possible split-half coefficients resulting from different splitting of the scale items.

3.10 Data Analysis Method

Webster dictionary (Uma Sekaran, 2006) provides the meaning of data analysis: "a separating or breaking up of any whole in to its part especially with an examination of this part to find out their nature, proportion, function, interrelationship, etc." This study uses Partial Least Square (PLS) analysis because: it fits both explanatory and confirmatory research, place less restriction on the data distribution, and requires smaller sample sizes. That is the reason why PLS model may be selected over OLS regression models or structural equation modeling (Geffen, Straub, and Bodreau, 2000).

PLS model is developed as an alternative to situation where the basic theory in weak design model and or the available of indicators do not meet the reflective measurement models. PLS is an analytical method which is quite good because it can be applied to all scale of data, does not require a lot of assumptions, and sample size should not necessarily large (Ghozali, 2006). PLS can be used as a confirmation of the theory and also to build a relationship that does not exist the theory basis or for testing propositions.

3.10.1 PLS Analysis

3.10.1.1 Inner Model (Structural Model)

Inner models describe the relationship between latent variables based on substantive theory. Latent variables are divided into two classes namely exogenous and endogenous. Exogenous latent variable does not have any predecessor in the structural model; all others are endogenous. In evaluation of reflective inner model, it uses *R-Square* for dependent construct, *Goodness of Fit*, *t test*, and also the significance of the path coefficients of structural parameters.

3.10.1.2 Outer Model (Measurement Model)

The measurement model or outer model relates to observe the specification of relationship between latent variable with their indicators. Or it can be said that the outer model defines how each indicator relates to its latent variable. There are three criteria in using data analysis techniques with PLS to assess the outer model of Convergent Validity, Discriminant Validity and Composite Reliability. Convergent validity of the measurement model with reflexive indicator is judged by correlation between item score / component score estimated with PLS.

CHAPTER IV

RESEARCH RESULT AND DISCUSSION

4.1 Description of Research Object

The object of this research is Xiaomi branded smartphone. An electronics and smartphone company manufacturer that sells smartphones at affordable prices based in Beijing, mainland China.

4.1.1 History of Xiaomi Company

Xiaomi was founded in 2010 by serial entrepreneur Lei Jun, who believes that high-quality technology does not need to cost a fortune. Xiaomi create remarkable hardware, software, and internet services for and with the help of fans feedback. Xiaomi incorporates its feedback into our product range, which currently includes smartphones, Tablet, and other accessories. With more than 61 million handsets sold in 2014, and products launched in Taiwan, Hong Kong, Singapore, Malaysia, Philippines, India, Indonesia and Brazil, Xiaomi is expanding its footprint across the world to become a global brand.

Xiaomi uses the Android-based operating system developed by Google. Android is derived from an open-source Linux operating system. As a branch of Linux, Android is develop and updated annually by Google. This allow mobile phone companies to get into the smartphone market easily, eliminating the needs to create their own operating system, which is costly to develop. By registering and agreeing to the terms and condition from Google, they obtain an official permission and quality control from Google to distribute Android with their own

respective device specifications. Thus many emerging start-up companies can quickly enter the smartphone market.

Several mobile phone companies with Android operating system continue to increase and dominate in many parts of the world. In Southeast Asia, mobile phone companies such as Samsung, Huawei, Oppo, Lenovo, Xiaomi, and LG is competing fiercely. With Samsung as dominant market leader, an emerging startup companies from mainland China can benefit consumers with smartphones that provide high specifications at an affordable price. This is crucial considering Southeast Asia generally consists of developing countries with low purchasing power. Therefore, price becomes a major roles that consumers consider when they intend to switch between brands.

4.1.2 Company Symbol/Logo

Below is the logo of Xiaomi:

Figure 4.1.2

Xiaomi Company Logo

Source: www.mi.com/

The "MI" in the company logo stands for “Mobile Internet”. It also has other meanings, including "Mission Impossible", because Xiaomi faced many challenges that had seemed impossible to defy in the company’s early days.

4.2 Respondents' Characteristic

From the results of questionnaires distribution to people in Malang that already used smartphone besides Xiaomi branded smartphone, it consisst of 150 respondents. The obtained data and description of respondents characteristics are based on the age of respondents and gender of respondents. The presented data and characteristics of respondents are as follow:

4.2.1. The Characteristic of Respondents based on Gender

The result of data tabulation of respondents based on gender is presented on table 4.2.1 as follow:

Table 4.2.1

The Characteristic of Respondents based on Gender

Number	Gender Type	Frequency	Percentage (%)
1	Male	72	48.00
2	Female	78	52.00
	Total	150	100

Source: Primary data processed, 2018

Based on table 4.2.1 above, it can be seen that male respondents have a total of 72 respondents out of 150 or 48%, while female respondents have a total of 78 respondents out of 150 or 52%. Based on the data above, female respondents have more numbers than male respondents. Which means that the majority of female smartphone users was the main questionnaire filler in this study, this does not affect the result of the research because gender percentage was part of the researcher respondents that filled the questionnaires. Therefore the female smartphone users have a higher percentage than the percentage of male questionnaire fillers.

4.2.2. The Characteristic of Respondent based on Age

The result of data tabulation of respondents based on age is presented in the Table 4.2.2 as follow:

Table 4.2.2

The Characteristic of Respondents based on Age

Number	Age	Frequency	Percentage (%)
1	≥ 15 - 20 years old	21	14.00
2	21 – 25 years old	45	30.00
3	26 - 30 years old	38	25.33
4	31 - 40 years old	33	22.00
5	> 40 years old	13	8.67
Total		150	100 %

Source: Primary data processed, 2018

Based on the Table 4.2.2 above, it can be seen that the respondents aged between ≥ 15 - 20 years old have a total of 21 or 14.00%, respondents aged between 21 – 25 years old have a total of 45 or 30.00%, respondents aged between 26 - 30 years old have a total of 38 or 25.33%, respondents aged between 31 - 40 years old have a total of 33 or 22.00%, respondents aged more than > 40 years old have a total of 13 or 8.67%. Based on the data gathered from the respondents above, people that have already used smartphones other than Xiaomi branded smartphone age ranges between 21-25 years old are more likely to switch to Xiaomi's smartphone than people with other age ranges, because young people have the tendency to switch to other smartphone brands because most of them are following the trends of switching smartphones and have more curiosity than older people. However age can not be use as an exact measurements for the tendency to switch, therefore there is other unknown variables that influences the result of this characteristics.

4.2.3. The Characteristic of Respondents based on Monthly Earnings

The result of respondents general description based on their monthly earnings is presented in the Table 4.2.3 as follows:

Table 4.2.3

The Charateristic of Respondent based on Monthly Earnings

Num.	Monthly Earnings	Frequency	Percentage (%)
1	> Rp. 500.000 - Rp. 1.500.000	9	6.00
2	≥Rp 1.500.001 - Rp. 2.500.000	36	24.00
3	≥ Rp. 2.500.001 - Rp. 3.500.000	40	26.67
4	≥ Rp. 3.500.001 - Rp. 4.500.000	33	22.00
5	≥ Rp. 4.500.001 - Rp. 5.500.000	21	14.00
6	>Rp. 5.500.001	11	7.33
	Total	**150**	**100**

Source: Primary data processed, 2018

According to table 4.2.3 above, it can be seen that the majority of respondent's characteristics based on their monthly earnings come from respondents with monthly revenue of ≥ Rp. 2.500.001 - Rp. 3.500.000 with total amount of 40 or a percentage of 26.67%. If we look through Xiaomi's pricing list today which amount between Rp. 999.999 (on the entry-level range) to Rp. 7.000.000 (on the high-end range), respondent who obtain an average of 2 million to 3 million rupiah each month are willing switch to Xiaomi branded smartphone without further consideration. Thus, Xiaomi's current pricing strategy which is cheaper and readily available than other branded smartphone covers the scope of the average respondents monthly earnings.

For other respondents who obtain monthly earnings around > Rp. 500.000 - Rp. 1.500.000 with total amount of 9 or a percentage of 6.00% the price of Xiaomi's entry-level smartphones are quite expensives but still within the reach of

those respondents who are willing to switch from their current branded smartphone.

Another example from the table above that can be implied is the scope of monthly earnings, the scope is quite wide at an interval of Rp 1.000.000 between monthly earnings. With a wide scope between monthly earnings, it can be implied from the table above that most respondents with montly earnings of >Rp. 500.000 - Rp. 1.500.000 up to > Rp. 5.500.001 are willing to switch to Xiaomi branded smartphone.

The above obtained result shows that the buying capability of Indonesian people is limited, which is clearly shown from the range of montly earnings that reside at the number 3 from the table above.

4.2.4. The Characteristic of Respondents based on the Currently Used Smartphone Brand

The result of respondents characteristics based on currently used Smartphone Brand is presented on the table 4.2.4 as follows:

Table 4.2.4

The Charateristic of Respondents based on the Currently Used Smartphones Brand

Number	Smartphone Brand	Frequency	Percentage (%)
1	Samsung	23	15.33
2	Apple	15	10.00
3	Oppo	48	32.00
4	Vivo	41	27.33
5	Asus	12	8.00
6	Other brand	11	7.33
	Total	**150**	**100**

Source: Primary data processed, 2018

According to the table 4.2.4 above, it can be seen that respondents that use Samsung smartphone have a total amount of 23 or a percentage of 15.33%. Respondents that use Apple smartphone have a total amount of 15 or a percentage of 10.00% while Oppo's and Vivo's smartphone users have the largest total amount of respondents frequency with Oppo leading the other brand at 48 or a percentage of 32.00% and followed by Vivo which came in the second place at 41 or 27.33%. The last remaining respondents which is Asus and the other brands smartphone have a total amount of 12 and 11 or 8.00% and 7.33% respectively.

4.3 The Distribution of Respondents' Answer

The descriptions of the distribution of these items are used to determine the frequency and variation of the respondents' answers to the items to questions in the questionnaire. The answers are more fully described as follows:

4.3.1 The Distribution Answer Items of Service Quality (X1)

In the Service Quality of variable, there are five items of questions that were given to respondents to answer. The distribution of respondents' answer items can be seen on Table 4.3.1 as follow:

Table 4.3.1

The Distribution Answer Items of Service Quality (X1)

Items	SA		A		N		D		SD		Total		Mean
	F	%	f	%	f	%	F	%	f	%	Total	%	
X1.1	1	0.67	2	1.33	12	8.00	95	63.33	40	26.67	150	100	1.86
X1.2	1	0.67	4	2.67	22	14.67	102	68.00	21	14.00	150	100	2.08
X1.3	1	0.67	1	0.67	10	6.67	103	68.67	35	23.33	150	100	1.87
X1.4	1	0.67	0	0.00	15	10.00	101	67.33	33	22.00	150	100	1.90
X1.5	1	0.67	0	0.00	13	8.67	93	62.00	43	28.67	150	100	1.82
Grand Mean of Service Quality													1.91

Source: Primary data processed, 2018

Based on the Table 4.3.1 above it can be seen the obtained data out of 150 respondents answer about the items of Service Quality variable. For the first item which is Responsiveness of currently used smartphone brand, there were 1 respondents or 0.67% stated strongly agree, 2 respondents or 1.33% stated agree, 12 respondents or 8.00% stated neutral, 95 respondents or 63.33% stated disagree and the remaining 40 respondents or 26.67% stated strongly disagree. For the second item which is Assurance of currently used smartphone brand, there were 1 respondents or 0.67% stated strongly agree, 4 respondents or 2.67% stated agree, 22 respondents or 14.67% stated neutral, 102 respondents or 68.00% stated disagree and 21 respondents or 14.00% stated strongly disagree.

For the third item which is the Tangibles of currently used smartphone brand, there were 1 respondent or 0.67% stated strongly agree, 1 respondent or 0.67% stated agree, 10 respondents or 6.67% stated neutral, 103 respondents or 68.67% stated disagree and the remaining 35 respondents or 23.33% stated strongly disagree. For the fourth item which is Reliability of currenly used smartphone brands, there were 1 respondent or 0.67% stated strongly agree, 0 respondents or 0.00% stated agree, 15 respondents or 10.00 % stated neutral, 101 respondents or 67.33% stated disagree and the remaining 33 respondents or 22.00% stated strongly disagree.

For the fifth item which is the Emphaty from currenly used smartphone brand aftersale services, there were 1 respondents or 0.67% stated strongly agree, 0 respondents or 0.00% stated agree, 13 respondents or 8.67 % stated neutral, 93 respondents or 62.00% stated disagree and 43 respondents or 28.67% stated

strongly disagree. The obtained result of grand mean in the Service Quality valued at 1,91. This indicates that the Service Quality variable has a low rating category.

4.3.2 The Distribution Answer Items of Switching Cost (X2)

In the Switching Cost of variables, there are three items of questions that were given to respondents to answer. The distribution of respondents' answer items can be seen on Table 4.3.2 as follow:

Table 4.3.2

The Distribution Answer Items of Switching Cost (X2)

Item	SA		A		N		D		SD		Total		Mean
	f	%	f	%	f	%	F	%	f	%	Total	%	
X2.1	1	0.67	2	1.33	16	10.67	97	64.67	34	22.67	150	100	1.93
X2.2	1	0.67	1	0.67	12	8.00	90	60.00	46	30.67	150	100	1.81
X2.3	1	0.67	0	0.00	14	9.33	102	68.00	33	22.00	150	100	1.89
Grand Mean of Switching Cost													1.88

Source: Primary data processed, 2018

Based on the Table 4.3.2 above it can be seen the obtained data out of 150 respondents answer about the items of Switching Cost variable. For the first item which is the Costs of Relearning to use a new smartphone brand (Xiaomi), there were 1 respondent or 0.67% stated strongly agree, 2 respondents or 1.33% stated agree, 16 respondents or 10.67% stated neutral, 97 respondents or 64.67% stated disagree and 34 respondents or 22.67% stated strongly disagree.

For the second item which is the Uncertainty of Untested smartphone brand (Xiaomi) , there were 1 respondent or 0.67% stated strongly agree, 1 respondents or 0.67% stated agree, 12 respondents or 8.00% stated neutral, 90 respondents or 60.00% stated disagree and 46 respondents or 30.67% stated strongly disagree.

For the third item which is the Needs for Compatibility with currently used smartphone brand ecosystem, there were 1 respondent or 0.67% stated strongly agree, 0 respondents or 0.00% stated agree, 14 respondents or 9.33% stated neutral, 102 respondents or 68.00% stated disagree and 33 respondents or 22.00% stated strongly disagree. The obtained result of grand mean in the Switching Cost valued at 1,88. This indicates that the Switching Cost variable has a low rating category.

4.3.3 The Distribution Answer Items of Customer Satisfaction (Z1)

In the Customer Satisfaction of variables, there are three items of questions that were given to respondents to answer. The distribution of respondents' answer items can be seen on Table 4.3.3 as follow:

Table 4.3.3

The Distribution Answer Items of Customer Satisfaction (Z1)

Item	SA		A		N		D		SD		Total		Mean
	f	%	f	%	f	%	F	%	f	%	Total	%	
Z1.1	1	0.67	0	0.00	11	7.33	99	66.00	39	26.00	150	100	1.83
Z1.2	1	0.67	2	1.33	25	16.67	85	56.67	37	24.67	150	100	1.97
Z1.3	1	0.67	3	2.00	8	5.33	103	68.67	35	23.33	150	100	1.88
Grand Mean of Customer Satisfaction													1.89

Source: Primary data processed, 2018

Based on the Table 4.3.3 above it can be seen the obtained data out of 150 respondents answer about the items of Customer Satisfaction variable. For the first item which is the Customer Experience of currently used smartphone brand there were 1 respondent or 0.67% stated strongly agree, 0 respondents or 0.00% stated agree, 11 respondents or 7.33% stated neutral, 99 respondents or 66.00% stated disagree and 39 respondents or 26.00% stated strongly disagree.

For the second item which is the Product and Service Features of currently used smartphone brand meets customer demand, there were 1 respondent or 0.67% stated strongly agree, 2 respondents or 1.33% stated agree, 25 respondents or 16.67% stated neutral, 85 respondents or 56.67% stated disagree and 37 respondents or 24.67% stated strongly disagree.

For the third item which is the Attribution for Service or Failure within the usage of daily use or reality, there were 1 respondent or 0.67% stated strongly agree, 3 respondents or 2.00% stated agree, 8 respondents or 5.33% stated neutral, 103 respondents or 68.67% stated disagree and 35 respondents or 23.33% stated strongly disagree. The obtained result of grand mean in the Customer Satisfaction valued at 1,89. This indicates that the Switching Cost variable has a low rating category.

4.3.4 The Distribution Answer Items of Switching Barriers (Z2)

In the Switching Barriers of variables, there are three items of questions that were given to respondents to answer. The distribution of respondents' answer items can be seen on Table 4.3.4 as follow:

Table 4.3.4

The Distribution Answer Items of Switching Barriers (Z2)

Item	SA		A		N		D		SD		Total		Mean
	f	%	f	%	F	%	F	%	f	%	Total	%	
Z2.1	1	0.67	0	0.00	17	11.33	95	63.33	37	24.67	150	100	1.89
Z2.2	1	0.67	1	0.67	13	8.67	103	68.67	32	21.33	150	100	1.91
Z2.3	1	0.67	2	1.33	18	12.00	91	60.67	38	25.33	150	100	1.91
Grand Mean of Switching Barriers													1.90

Source: Primary data processed, 2018

Based on Table 4.3.4 above it can be seen the obtained data out of 150 respondents answer concerning the items of Switching Barriers variable. For the

first item with the barriers is the Feel of Confidence with currently used smartphone brand provides the best deal for the respondents, there were 1 respondents or 0.67% stated strongly agree, 0 respondents or 0.00% stated agree, 17 respondents or 11.33% stated neutral, 95 respondents or 63.33% stated disagree and 37 respondents or 24.67% stated strongly disagree. For the second item which barrier is the Sense of Loyalty from currently used smartphone brand, there were 1 respondent or 0.67% stated strongly agree, 1 respondent or 0.67% stated agree, 13 respondents or 8.67% stated neutral, 103 respondents or 68.67% stated disagree and 32 respondents or 21.33% stated strongly disagree.

For the third item which barrier is the Safety of the Operating System on the currently used smartphone brand, there were 1 respondent or 0.67% stated strongly agree, 2 respondents or 1.33% stated agree, 18 respondents or 12.00% stated neutral, 91 respondents or 60.67% stated disagree and 38 respondents or 25.33% stated strongly disagree. The obtained result of grand mean in the Switching Barriers valued at 1,90. This indicates that the Switching Barriers variable has a low rating category.

4.3.5 The Distribution Answer Items of Switching Intention (Y)

In the Switching Intention of variable, there are four items of questions that were given to respondents to answer. The distribution of respondents' answer items can be seen on Table 4.3.5 as follow:

Table 4.3.5

Distribution Answer Items of Switching Intention (Y)

Item	SA		A		N		D		SD		Total		Mean
	f	%	f	%	f	%	f	%	f	%	Total	%	
Y1	48	32.00	90	60.00	10	6.67	1	0.67	1	0.67	150	100	4.22
Y2	39	26.00	74	49.33	26	17.33	9	6.00	2	1.33	150	100	3.93
Y3	35	23.33	105	70.00	8	5.33	1	0.67	1	0.67	150	100	4.15
Y4	51	34.00	91	60.67	6	4.00	1	0.67	1	0.67	150	100	4.27
Grand Mean of Switching Intention													4.14

Source: Primary data processed, 2018

Based on the Table 4.3.5 above it can be seen the obtained data out of 150 respondents answer concerning the items of Switching Intention variable. For the first item which is the High Probability to Switch to Xiaomi smarrtphone brand , there were 48 respondents or 32.00% stated strongly agree, 90 respondents or 60.00% stated agree, 10 respondents or 6.67% stated neutral, 1 respondent or 0.67% stated disagree and 1 respondents or 0.67% which stated strongly disagree. For the second item which is the Limited Product Choices in currently used smartphone brand compared to Xiaomi's there were 39 respondents or 26.00% stated strongly agree, 74 respondents or 49.33% stated agree, 26 respondents or 17.33% stated neutral, 9 respondents or 6.00% stated disagree and 2 respondents or 1.33% stated strongly disagree.

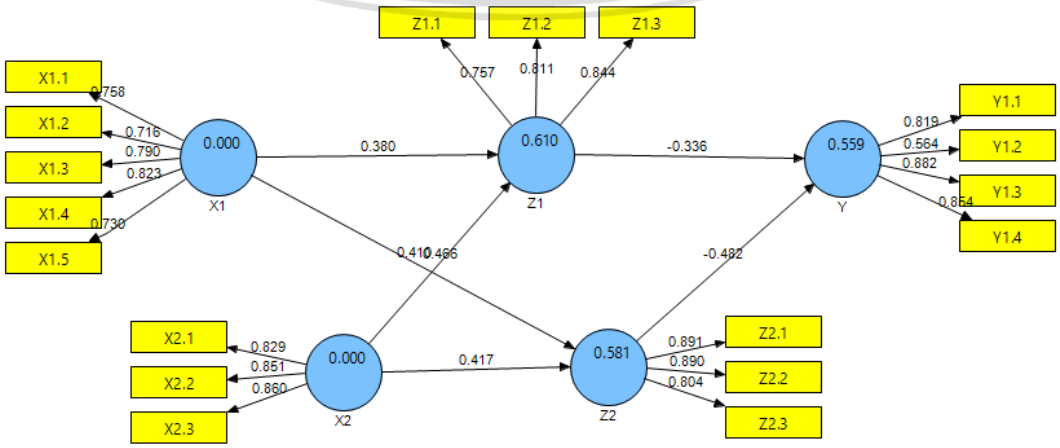
For the third item which is the Feel of Confidence that Xiaomi will give them a better experience compared to current smartphone brand, there were 35 respondents or 23.33% stated strongly agree, 105 respondents or 70.00% stated agree, 8 respondents or 5.33% stated neutral, 1 respondents or 0.67% stated disagree and 1 respondents or 0.67% which stated strongly disagree. For the fourth item which is Reliability of currenly used smartphone brands there were 54 respondents or 34.00% stated strongly agree, 91 respondents or 60.67% stated

agree, 6 respondents or 4.00 % stated neutral, 1 respondents or 0.67% stated disagree and 1 respondent or 0.67% stated strongly disagree. The obtained result of grand mean in the Switching Intention valued at 4.14. This indicates that the Switching Intention variable has a high rating category.

4.4 Partial Least Square (PLS) Data Analysis

The data processing techniques used SEM method based on Partial Least Square (PLS). PLS Software in this study used software developed at the University of Hamburg Germany, named SMARTPLS version 2.0 M3. In the PLS there are two stages namely the first stage is the outer model evaluation or measurement model. The second stage is an evaluation of the inner model or the structural model. The measurement model consists of observable indicators. The structural model consists of unobservable latent constructs. In this test, we also estimated the path coefficients that identify the strength of the relationship between independent variables and dependent variables. The measurement model consists of the relationship between the observable variable items and the latent constructs as measured by the items.

4.4.1. Measurement Evalution (Outer Model)



Source: Primary data processed, 2018

Figure 4.4.1

Measurement Evalution (Outer Model)

There are three criteria in using data analysis techniques with SmartPLS to assess the outer model of Convergent Validity, Discriminant Validity and Composite Reliability. Convergent validity of the measurement model with reflexive indicator is judged by correlation between item score / component score estimated with Soft PLS. Individual reflexive sizes are said to be high if they correlate more than 0.70 with measured constructs. However, according to Chin, 1998 (in Ghozali, 2006) for a preliminary study of the development of measurement scale the loading values of 0.5 to 0.6 are considered sufficient. In this research will be used the load factor limit of 0.60.

4.4.1.1 Convergent Validity

Convergent validity aims to determine the validity of each relationship between indicators with latent variables. The convergent validity of the measurement model with the reflexive indicator is judged on the correlation between the component score and the construct score calculated by the PLS. Here is presented the results of outer loading for each of the indicators possessed by each exogenous and endogenous latent variables in the research models obtained from the SmartPLS as follow:

Table 4.4.1.1

Convergent Validity

Outer Loadings Value (Mean, STDEV, T-Values)

	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (|O/STERR|)
X1.1 <- X1	0.7578	0.0621	12.2117
X1.2 <- X1	0.7165	0.0673	10.646
X1.3 <- X1	0.79	0.0568	13.9169
X1.4 <- X1	0.823	0.0374	21.9849
X1.5 <- X1	0.7296	0.0647	11.2718
X2.1 <- X2	0.829	0.0403	20.5776
X2.2 <- X2	0.8513	0.034	25.0732
X2.3 <- X2	0.86	0.0334	25.7407
Y1.1 <- Y	0.8193	0.0516	15.8672
Y1.2 <- Y	0.5635	0.1072	5.2553
Y1.3 <- Y	0.8821	0.0282	31.2666
Y1.4 <- Y	0.8544	0.0343	24.9175
Z1.1 <- Z1	0.7571	0.0853	8.8784
Z1.2 <- Z1	0.8112	0.037	21.9186
Z1.3 <- Z1	0.8441	0.0393	21.4869
Z2.1 <- Z2	0.8906	0.0245	36.3442
Z2.2 <- Z2	0.8897	0.0238	37.3359
Z2.3 <- Z2	0.8043	0.0552	14.5818

Source: Primary data processed, 2018

Table 4.4.1.1 shows the value of loading (Convergent Validity) from each indicator. Value loading factor above 0.7 is said to be ideal and valid. However the rule of thumbs interpretation of the loading factor value above 0.5 is also acceptable and valid as long as the value is not below 0.5. It can be seen that the factor loading values of indicator Service Quality (X1), Switching Cost (X2), Customer Satisfaction (Z1), Switching Barriers (Z2) and the Switching Intention (Y) of respondents is bigger than 0,60. This indicates that these indicators are valid.

4.4.1.2 Discriminant Validity

After Convergent validity, subsequent evaluation is to see Discriminant Validity with cross loading, root square value of average variance extracted (AVE) and composite realibility. Discriminant Validity is to prove that latent constructs predict the size on their block is better than the size of the other block. Ghozali (2008) mentioned that Discriminant Validity of measurement model with reflexive indicator is assessed based on cross loading measurement with construct. Discriminant validity of the measurement model is assessed based on the measurement of cross loading by construct. If the construct correlation with the principal measurement of each indicator is greater than the size of the other construct, the latent construct predicts the indicator better than the other construct.

The model has good discriminant validity if each loading value of each indicator of a latent variable has the largest loading value with another loading value against other latent variables. Discriminant validity obtained from the test results are as follow:

Table 4.4.1.2

Discriminant Validity

Cross Loadings Value

	X1	X2	Y	Z1	Z2
X1.1	**0.7578**	0.4793	-0.5199	0.4409	0.5387
X1.2	**0.7165**	0.4053	-0.535	0.4495	0.455
X1.3	**0.79**	0.554	-0.5201	0.5624	0.4738
X1.4	**0.823**	0.5779	-0.6194	0.5913	0.6186
X1.5	**0.7296**	0.6278	-0.6043	0.6243	0.5709
X2.1	0.6234	**0.829**	-0.5856	0.5959	0.5702
X2.2	0.5363	**0.8513**	-0.5379	0.6519	0.5588
X2.3	0.6229	**0.86**	-0.6145	0.6136	0.6562
Y1.1	-0.5624	-0.5517	**0.8193**	-0.5119	-0.5901
Y1.2	-0.3454	-0.2865	**0.5635**	-0.3096	-0.2729
Y1.3	-0.6755	-0.5982	**0.8821**	-0.5952	-0.65
Y1.4	-0.6742	-0.6458	**0.8544**	-0.5913	-0.6179
Z1.1	0.5094	0.5409	-0.4472	**0.7571**	0.4702
Z1.2	0.6171	0.5796	-0.5467	**0.8112**	0.5968
Z1.3	0.5765	0.6439	-0.5771	**0.8441**	0.5258
Z2.1	0.6173	0.6611	-0.6092	0.5727	**0.8906**
Z2.2	0.6556	0.6987	-0.6343	0.6442	**0.8897**
Z2.3	0.5346	0.4352	-0.5773	0.4823	**0.8043**

Source: Primary data processed, 2018

Table 4.4.1.2 shows the Cross Loading Value of all indicators that make up each of the variables in this research (the value in bold) has met the requirements of discriminant validity because it has the largest outer loading value for the variables which is formed and not on other the variables. Thus all indicators in each variable in this research have met the discriminant validity.

4.4.1.3 Composite Reliability, Average Variance Extracted (AVE) and Cronbach Alpha

The measurement model is evaluated with square root of average variance extracted, which is by comparing the AVE root value and the correlation between constructs. If the AVE root value is higher than the correlation value between the

constructs, then good discriminant validity is achieved. In addition, AVE values which is greater than 0.5 are strongly recommended.

Table 4.4.1.3

Goodness of Fit

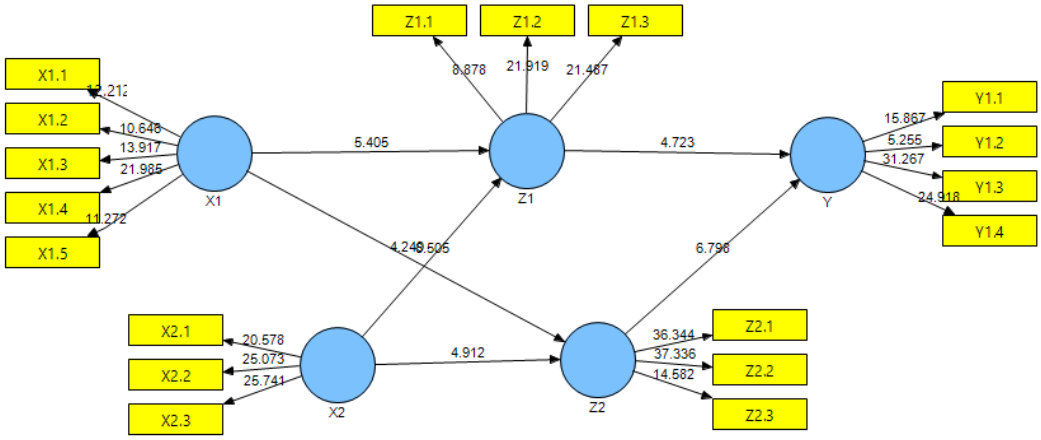
Construct	AVE	Composite Reliability	Cronbachs Alpha
X1	0.5843	0.8751	0.8221
X2	0.7172	0.8838	0.8028
Z1	0.6479	0.8464	0.7282
Z2	0.7439	0.8968	0.8275
Y	0.6243	0.8662	0.7958

Source: Primary data processed, 2018

The AVE values for the five constructs on Table 4.4.1.3 above are greater than 0.5 so it can be concluded that the model measurement evaluation has a good discriminant validity. In addition to the construct validity test, construct reliability test is also measured by the criteria test composite reliability and cronbach alpha from the indicator block that measured the construct. The construct is declared reliable if the composite reliability and cronbach alpha value is greater than 0.70. So it can be concluded that the construct has good reliability.

4.4.2 Structural Evalution (Inner Model)

Inner model or structural model testing is done to see the relationship between construct significance value and R-square of the research model. The structural model is evaluated by using R-square for the t test dependent construct as well as the significance of the structural path parameter coefficients.



Source: Primary data processed, 2018

Figure 4.4.2

Structural Evalution (Inner Model)

4.4.2.1 Coefficient of Determination or R-Square (R^2)

Test on the structural model were done by looking at the R-square value which is a Goodness-Fit test model.

Table 4.4.2.1

R-Square Value

Number	Variable	R Square Value
1	Z1	0.6103
2	Z2	0.5807
3	Y	0.5589

Source: Primary data processed, 2018

In principle, this research uses 3 variables that were influenced by other variables which are Customer Satisfaction (Z1) variable that were influenced by Service Quality (X1) and Switching Cost (X2) variables. The Switching Barriers (Z2) variable that were influenced by Service Quality (X1) and Switching Cost (X2) variables. Similary, the Switching Intention (Y) variable were influenced by Customer Satisfaction (Z1) and Switching Barriers (Z2) variables.

Table 4.4.2.1 point number One shows the R-square value for Customer Satisfaction variable (Z1) that was influenced by Service Quality (X1) variable and Switching Cost (X2) variable is valued at 0.6103. The value of R-square shows that 61,031% of Customer Satisfaction variable (Z1) can be influenced by Service Quality (X1) and Switching Cost (X2) variables, while the remaining 38,97% were influenced by other variable outside of the research subject.

Table 4.4.2.1 point number Two shows the R-square value for Switching Barriers (Z2) that was influenced by Service Quality (X1) variable and Switching Cost (X2) variable is valued at 0,5807. The value of R-square shows that 58,07% of Switching Barriers (Z2) can be influenced by Service Quality (X1) and Switching Cost (X2) variables, while the remaining 41,93% was influenced by other variable outside of the research subject.

Table 4.4.2.1 point number Three shows the R-square value for Switching Intention (Y) that was influenced by Customer Satisfaction (Z1) variable and Switching Barriers (Z2) variable is valued at 0,5589. The value of R-square shows that 55,89% of Switching Intention (Y) can be influenced by Customer Satisfaction (Z1) and Switching Barriers (Z2) variables, while the remaining 41,11% was influenced by other variable outside of the research subject.

4.4.2.2 Predictive Relevance (Q^2)

According Jaya and Sumertajaya (2008) Goodness of Fit Model is measured using R-square latent variable dependent with the same interpretation with regression. Q-Square predictive relevance for the structural model is used to measured how well the conservation value is generated by the model and its parameter estimation.

In the PLS model, the overall fit of goodness of fit is derived from the value of Q^2 (predictive relevance), whereby the higher Q^2 value, the model can be said to be more suitable with the data. Quantity Q^2 has a value with the range 0 $<Q^2<1$, if it is closer to 1 means the model is getting better. This is equal to the total coefficient of determination in the path analysis. From Table 4.4.2.1 above we can calculate the value of Q^2 using the equation of Predictive Relevance Q^2 as follows:

$$Q^2 = 1 – (1– R2) \times (1 – R2)$$

Explanation:

Q^2 : Value of Predictive Relevance

R_1^2 : Value of R-Square of Customer Satisfaction (Z1) = 0.6103

R_2^2 : Value of R-Square of Switching Barriers (Z2) = 0.5807

R_3^2 : Value of R-Square of Switching Intention (Y) = 0.5589

Equation Result:

Value of Q^2 $= 1 – (1– R^2) (1 – R^2) (1 – R^2)$

Value of Q^2 $= 1 – (1– 0.6103) \times (1 – 0.5807) \times (1 – 0.5589)$

$= 0.9279$

From the calculation above, the resulted value of Q^2 is 0.9279, which means that the analysis of variant that can be explained by the structural model is valued at 92,79%, while the remaining percentage which is 7,21% were explained by other factors outside the modelling equation. Based on these results, the structural model in this study can be said to have an appropriate goodness of fit.

4.5 Hypothesis Test Result

The significance of the estimated parameters provides a useful information on the relationship between research variables. The statistical test in PLS with each hypothesized relationship are performed using a simulation. In this case the bootstrap method is performed on the sample. Testing with a bootstrap method is intended to minimize the occuring problem of research data abnormalities. The test results with bootstrapping method from PLS analysis are as follows:

Table 4.5

Path Coefficient (Mean, STDEV, T-Values)

Variable Correlation	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (|O/STERR|)
X1 -> Z1	0.3804	0.0704	5.4046
X2 -> Z1	0.4096	0.0964	4.2488
X1 -> Z2	0.4658	0.0716	6.5046
X2 -> Z2	0.4166	0.0848	4.9121
Z1 -> Y	-0.3358	0.0711	4.7234
Z2 -> Y	-0.4818	0.0709	6.7983

Source: Primary data processed, 2018

Based on the Table 4.5 above the obtained result of the structural equation is described as follows and it is followed by the explanation of hypothesis concerning the correlation or relationship between variables:

Z1 = 0,3804 X_1 + 0,4096 X_2

Z2 = 0,4658 X_1 + 0,4166 X_2

Y = -0,3358 Z_1 – 0,4818 Z_2

H_1. Service Quality has significant influence to Customer Satisfaction (X1 -> Z1).

The result of the first hypothesis test shows that the correlation between Service Quality (X1) and Customer Satisfaction (Z1) variables shows the

coefficient value of 0.3804 with t value of 5.4046. The obtained t value is greater than the t table (1,960). This result means that Service Quality variable has a positive and significant influence on Customer Satisfaction variable, which is in line with the first hypothesis where the Service Quality has a direct influence on Customer Satisfaction.

H_2. Switching Cost has significant influence to Customer Satisfaction (X2 -> Z1).

The results of the second hypothesis test shows that the correlation between Switching Cost (X2) with Customer Satisfaction (Z1) variables shows the value of the coefficient of the path of 0.4096 with t value of 4.2488 t. The obtained t value is greater than t table (1,960). This result means that the Switching Cost variable has a positive and significant influence on Customer Satisfaction variable which is in line with the second hypothesis where the Switching Cost has a direct influence on Customer Satisfaction.

H_3. Service Quality has significant influence on Switching Barriers (X1 -> Z2).

The result of the third hypothesis test shows that the correlation of Service Quality (X1) variable with Switching Barriers (Z2) shows the coefficient value of 0.4658 with t value of 6,5046. The obtained t value is greater than t table (1,960). This result means that Service Quality has a positive and significant influence on Switching Barriers which is in line with the third hypothesis where Service Quality has significant influence on Switching Barriers.

H_4. Switching Cost has significant influence on Switching Barriers (X2 -> Z2).

The result of the fourth hypothesis test shows that the correlation of Switching Cost (X2) variable with Switching Barriers (Z2) variable shows the path coefficient value of 0.4166 with t value 4,9121. The obtained t value is greater than t table (1,960). This result means that the Switching Cost variable has a positive and significant influence on Switching Barriers variable which means according to the fourth hypothesis where the Switching Cost has significant influence on Switching Barriers.

H_5. Customer Satisfaction has significant influence on Switching Intention (Z1->Y)

The result of the fifth hypothesis test shows the correlation of Customer Satisfaction (Z1) variable with Switching Intention (Y) variable shows the coefficient value of -0.3358 with a t value of 4.7234. The obtained t value is greater than t table (1,960). This result means that Customer Satisfaction has negative and significant influence to Switching Intention which is in line with the fifth hypothesis where Customer Satisfaction has negative and significant influence on Switching Intention.

H_6. Switching Barriers has significant influence on Switching Intention (Z2-> Y).

The result of the sixth hypothesis test shows that the correlation of Switching Barriers (Z2) variable with Switching Intention (Y) variable shows the coefficient value of -0.4818 with a t value of 6.7983. The obtained t value is greater than t table (1,960). This result means that Switching Barriers have a negative and significant influence on Switching Intention which means according

to the sixth hypothesis where Switching Barriers have a negative and significant influence on Switching Intention.

4.5.1 Indirect Influence

In order to know the significance of the indirect influence of the independent variables upon the dependent variable which is Switching Intention (Y) through Customer Satisfaction (Z1) variable and Switching Barriers (Z2) variable, it can be performed by using Sobel calculation that can be seen on Table 4.5.1 as follows

Table 4.5.1

Indirect Influence on Variables

Variables	Direct Coefficient		Standard Error		Indirect Cofficient	se Gab	t Count	p-Value
X1, Z1, Y	0.3804	-0.3358	0.0704	0.0711	-0.1277	0.0363	-3.5220	0.001
X2, Z1, Y	0.4096	-0.3358	0.0964	0.0711	-0.1375	0.0441	-3.1204	0.002
X1,Z2, Y	0.4658	-0.4818	0.0716	0.0709	-0.2244	0.0480	-4.6730	0.000
X2, Z2, Y	0.4166	-0.4818	0.0848	0.0709	-0.2007	0.0508	-3.9533	0.000

Source Primary data processed, 2018

Based on the Table 4.5.1 above, the obtained results of the indirect influence between variables through other variables is explained as follows:

H_7. The influence of Service Quality (X1) on Switching Intention (Y) through Customer Satisfaction (Z1).

The results of testing the seventh hypothesis shows that the relationship between Service Quality (X1) variable and Switching Intention (Y) variable through Customer Satisfaction (Z1) shows indirect coefficient value of -0.1277 with t value of 3.5220. The obtained t value is greater than t table (1,960). This

result means that Customer Satisfaction has a significant influence in bridging Service Quality to Switching Intention. This means Hypothesis 7 is accepted.

H_8. The influence of Switching Cost (Z2) on Switching Intention (Y) through Customer Satisfaction (Z1).

The results of testing the eighth hypothesis shows that the relationship between Switching Cost (Z2) and Switching Intention (Y) variables through Customer Satisfaction (Z1) variable shows the indirect coefficient value of -0.1375 with a t value of 3.1204. The obtained t value is greater than t table (1,960). This result means that Customer Satisfaction has a significant influence in bridging Switching Cost to Switching Intention. This means Hypothesis 8 is accepted.

H_9. The influence of Service Quality (X1) on Switching Intention (Y) through Switching Barriers (Z2).

The results of testing the ninth hypothesis shows that the relationship between Service Quality (X1) on Switching Intention (Y) variables through Switching Barriers (Z2) shows the obtained value of indirect path coefficient of -0.22244 with obtained t value of 4.673. The obtained t value is greater than t table (1,960). This result means that Switching Barriers have a significant influence in bridging Service Quality to Switching Intention. This means Hypothesis 9 is accepted.

H_{10}. The influence of Switching Cost (X2) on Switching Intention (Y) through Switching Barriers (Z2).

The results of the tenth hypothesis test show that the influence of Switching Cost variable with Switching Intention (Y) through Switching Barriers

(Z2) shows the value of indirect path coefficient of -0,2007 with t value of 3.9533. The value is greater than t table (1,960). This result means that Switching Barriers have a significant influence in bridging the Switching Cost to Switching Intention. This means Hypothesis 10 is accepted.

4.6 Discussion

The discussion of direct and indirect influence of Service Quality (X1), Switching Cost (X2), Customer Satisfaction (Z1), Switching Barriers (Z2) towards Switching Intention (Y) of smartphone user in Malang city to switch to Xiaomi's smartphone.

Based on the findings from the researcher, the roles of Service Quality, Switching Intention, Customer Satisfaction, Switching Barriers have a direct and indirect influence upon smartphone users on respondents Switching Intention. Xiaomi's pricing strategy and their minimalist marketing campaign through social media and word of mouth has succeed to get people in Malang interested upon switching to this brand. The Service Quality of various smartphone brands certainly have its own flaws, based on the researchers' findings through 5 dimention of Service Quality most respondent does not respond positively to an average customer services, build quality, reliability and emphaty that other the brands has provided where otherwise it needed such attention. As such Service Quality plays an important roles among other variable which impacted upon the Switching Intention either directly or indirectly through Customer Satisfaction and Switching Barriers.

For Switching Cost the majority of respondents clearly are willing to sacrifice their current smartphone usability in order to switch to Xiaomi

smartphone, given their agressive low pricing strategy. As for the Customer Satisfaction, the researcher found out that respondents satisfaction towards the usability of their current smartphone is not guaranteed, even if they are using such high profile branded smartphone such as Samsung or Apple. Their demand and expectation towards the Customer Satisfaction of their current smartphone plays an important roles, if such criteria is fulfilled they are not willing to switch to Xiaomi but if it is unfulfilled, then the Switching Intention of the smartphone users is increasing and there is a higher probability to switch to Xiaomi's smartphone. For Switching Barriers which is resides in respondents mind set, such as loyalty, the confidence from purchased decision and the operating system security of currently used smartphone brand is affecting the Switching Intention directly whether it is negative or positive. This result is similar to the previous research conducted by Brantes, et al, (2011), through confirmatory factor analysis on their journals. Therefore, the outcome to switch to Xiaomi's smartphone is positive.

4.7 Research Implication

The result and discussion of this research above provides some theoretical and practical implication to the Service Quality, Switching Cost, Customer Satisfaction, Switching Barriers towards Switching Intention to Xiaomi Smartphone (a research on Smartphone Users in Malang).

1. Theoretical Implication

   The result of this research provide benefits in the field of science that Service Quality, Switching Cost, Customer Satisfaction, Switching Barriers have positive influence towards Switching Intention. This result is aligned with

previous research theories which explained each Service Quality, Switching Cost, Customer Satisfaction, Switching Barriers have positive influences toward Switching Intention which in this research the object are the society of Malang who have already known on how to use smartphone or currently using smartphone besides Xiaomi.

2. Practical Implication

   Based on the result of this research, Service Quality, Switching Cost, Customer Satisfaction, Switching Barriers have positive influence to Switching Intention upon switching to Xiaomi's Smartphone in the society of Malang city.Xiaomi's software developers and hardware engineers are necessary to enhance the value and relationships betweenService Quality, Switching Cost, Customer Satisfaction, Switching Barriers towards Switching Intention that the current smartphone users that use other various brands to switch and use Xiaomi's smartphone. This can be achieved through improvising their aftersales service, build quality, the security and stability of their own MIUI custom android operating system and adding more valuable features in the softwares, and increasing the bulk of their marketing campaign through social media which is more efficient in order to attract more customer to switch.

3. Research Limitation and Further Research

   As well as other studies, this study has several limitations. There were a number of limitations reseacher's should be more thoughtful in reviewing the results of this study. This study limited to the objectives and the context of the aforementioned age and area demographics. Although the study was

developed and validated upon the dependent variables (switching intention) and the mediating variables (customer satisfaction and switching barriers) , this study does not measure the specific demographic within the age of less than 15 years old and more than 40 years old. This limitation implies that the obtained results does not measure certain ages criteria that might benefit upon the accuracy of the obtained results. The other limitation of this study resides on the demographic areas that were conducted by the researcher's in Malang city, this study only examined the area of Malang city while the city of Malang itself has a large area that includes Malang district (kabupaten), where these smartphone users in the Malang district was not part of the researcher's target of demographics area. These broader demographics criteria should be examine in future study in order to yield more accurate results upon the switching intention of smartphone users. For further research, researchers suggested to examine other variables in addition to the variables that have been in use in this study. Especially in choosing dependent variables, Switching Intention is not the only variable that can be used in researching consumer interest to switch to another brand. Variable such as Switching Behavior are also interesting to investigate further, because Indonesian consumers in choosing a smartphone have a different behaviors, as such future researcher can use Xiaomi brand or other popular chinese smartphone brands that are popular in Indonesia, such as Huawei, Zte, Oppo and other various chinese brands. Researcher suggest chinese smartphone brands as an object of the future research, because of the low-price and high spesification value that the chinese brands todays has to offer.

CHAPTER V

CONCLUSION AND SUGGESTION

5.1 Conclusion

This research was conducted to determine which variables that have an influence on the Switching Intention of respondents to switch to Xiaomi's smartphone. In this research, the independent variables used are Service Quality, Switching Cost, Customer Satisfaction and Switching Barriers while the dependent variable used is the Switching Intention. Based on the calculation and the obtained data from partial least square analysis through inner and outer modeling and various other components, the conclusions are drawn as follow:

1. There is a direct influence of Service Quality that contributes to Customer Satisfaction.
2. There is a direct influence of Switching Cost that contributes to Customer Satisfaction.
3. There is a direct influence of Service Quality that contributes to Switching Barriers.
4. There is a direct influence of Switching Cost that contributes to Switching Barriers.
5. There is a direct influence of Customer Satisfaction that contributes to Switching Intention.
6. There is a direct influence of Switching Barriers that contributes to Switching Intention.

7. There is an indirect influence of Service Quality that contributes to Switching Intention through Customer Satisfaction.
8. There is an indirect influence of Switching Cost that contributes to Switching Intention through Customer Satisfaction.
9. There is an indirect influence of Service Quality that contributes to Switching Intention through Switching Barriers.
10. There is an indirect influence of Switching Cost that contributes to Switching Intention through Switching Barriers.

5.2 Suggestions

Based on the aforementioned conclusions, the researcher would like to state some suggestions which are expected to be useful for Xiaomi as a company, for the next researchers, and for smartphone users in Malang city if they intend to switch or perhaps purchase Xiaomi's smartphone from their currently used smartphones. The stated suggestions are as follow:

1. For Xiaomi as a smartphone company, in order to gain a new potential customers Xiaomi can improve its aftersales service, build quality, the security and stability of its own MIUI custom android operating system and adding more valuable features in the softwares, and increasing the bulk of their marketing campaign through social media which is more efficient in order to attract more customer to switch to Xiaomi smartphone. It is expected that the Xiaomi as a company can maintain and improve its marketing, the reason is consumer today is smart and the availability of information from the internet is vast and readily avavilable, thus the lack of marketing tactics can dampening

the overall smartphone sales resulting in consumer switching to other brands.

2. For further research, researchers suggested to examine other variables in addition to the variables that have been in use in this study. Especially in choosing dependent variables, Switching Intention is not the only variable that can be used in researching consumer interest to switch to another brand. Variable such as Switching Behavior are also interesting to investigate further, because Indonesian consumers in choosing a smartphone have a different behaviors, as such future researcher can use Xiaomi brand or other popular chinese smartphone brands that are popular in Indonesia, such as Huawei, Zte, Oppo and other various chinese brands. Researcher suggest chinese smartphone brands as an object of the future research, because of the low-price and high spesification value that the chinese brands todays has to offer..
3. For smartphone users in Malang city, there are some suggestions from the researcher that should be considered. A lot of users are looking for an attractive device with premium build quality and aesthetical reasons, but the majority of users are conscious upon the limitation of their budget to spend. As such, this type of demand from users is included in Xiaomi's product offerings. Xiaomi offers aesthetical value and build qualities such as scratch resistant glass, aluminium or stainless steel frame, a rigid plastic with excellent durability and flexibility, chamfered edge, bezel-less screen or an iphone lookalike

designs with price cheaper than its competitor. If such qualities are expected, it is advisable for them to switch to this brand.

The hardware and software of Xiaomi's current offering is remarkably good and competitive, combined with quick software updates and security patches that are delivered consistently within weeks. For users who are looking for an excellent hardware in the camera department, Xiaomi's current mid-level offering in Redmi range is outstanding which are packed with dual cameras, high resolution imagery, staggering low light performance, an affordable prices within 2 million rupiah to 3.5 million rupiah. The Redmi range overall reputation is an all rounder budget smartphone, winning the hearts of many online reviewers.

For smartphone users who are looking for a high battery capacity, this brand got this thing covered. Xiaomi's packed some of their entry-level to their high-end devices with a high capacity battery plus a fast charging capability. However, there is a drawback at the entry-level and mid-range of Xiaomi product offering, which is the lack of proper charger that is capable of fast charging. This is due to the cutting-cost strategies that Xiaomi's implemented at their budget ranges. With varying advantages and disadvantages of their product offering, the researcher suggests that smartphone users that currently thought of switching to Xiaomi should first, read and watch a lot of reviews that are available on the internet, then adjusting their needs and wants within their spending capabilities. This is an important

suggestion from the researcher in order to avoid false expectations before they decide to switch and purchase Xiaomi smartphone.

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QUESTIONNAIRE

(English)

The Influence of Service Quality and Switching Cost through Customer Satisfaction and Switching Barriers towards Switching Intention to Xiaomi Smartphone

A Study of Smartphone Users in Malang City.

Dear Participant:

Hereby, I Satya Rasyid Triabadi a student of Management from the Faculty of Economics and Business Universias Brawijaya Malang, intends to conduct research of an undergraduate thesis regarding the influence of *Service Quality, Switching Cost, Customer Satisfaction, Switching Barriers* towards *Switching Intention*. This research is conducted in order to fulfill the final task and as one of the requirements to obtain a bachelor degree (S1) in the Management Department Faculty of Economics and Business Brawijaya University.

The researcher is expecting your readiness to fill this questionnaire. The information that you will provide is a meaningful help upon finishing this research, answers given will be classified. Thank you for taking the time to assist him in his educational endeavor.

Malang, 12 March 2018

Reseacher

Satya Rasyid Triabadi

NIM: 115020207121010

I. RESPONDENTS' IDENTITY

Name : .....

Please tick your currently used

Smartphone Brands : ☐ Samsung ☐ Apple ☐ Oppo
☐ Vivo ☐ Asus ☐ Other brands

Sex : ☐ Male ☐ Female

Age : ☐ ≥15-20 ☐ 21-25 ☐ > 40
☐ 26-30 ☐ 31-40

Monthly Earnings : ☐ > Rp. 500.000 - Rp. 1.500.000
☐ ≥ Rp 1.500.001 - Rp. 2.500.000
☐ ≥ Rp. 2.500.001 - Rp. 3.500.000
☐ ≥ Rp. 3.500.001 - Rp. 4.500.000
☐ ≥ Rp. 4.500.001 - Rp. 5.500.000
☐ > Rp. 5.500.001

II. INSTRUCTIONS

Please tick (✓) the appropriate box that represents your best answer regarding the statements inside the table.

- **SA** If you state Strongly Agree with the statement.
- **A** If you state Agree with the statement.
- **N** If you state Neutral with the statement.
- **D** If you state Disagree with the statement.
- **SD** If you state Strongly Disagree with the statement.

Service Quality (X1)

Number	Statement	Answer				
		SD	D	N	A	SA
1	I feel that the aftersales responsiveness from my currently used smartphone brand is very good.					
2	I feel that the warranty given from my currently used smartphone brand is very good.					
3	I feel that the aesthetics and build quality of my currently used smartphone brand is very good.					
4	I can rely on the customer services that were given from my currently used smartphone brand at anytime.					
5	I feel that personal attention that were given from the aftersales service of my currently used smartphone brand is very good.					

Switching Cost (X2)

Number	Statement	Answer				
		SD	D	N	A	SA
6	I feel the burden for learning a new smartphone user interface with a different brand.					
7	I feel the uncertainty regarding other smartphone brands that I have never used before.					
8	The smartphones that I'm currently using is compatible with my other existing gadgets making it difficult to switch to the Xiaomi brand.					

Customer Satisfaction (Z1)

Number	Statement	Answer				
		SD	D	N	A	SA
9	The aftersales service that are offered from my currently used smartphone brand is satisfactory.					
10	The smartphone products from my currently used smartphone brand fulfill my *demands* in the realities of daily use.					
11	The smartphone products from my currently used smartphone brand fulfill my *expectation* in the realities of daily use.					

Switching Barriers (Z2)

Number	Statement	Answer				
		SD	D	N	A	SA
12	I feel confident that my currently used smartphone brand is the best purchase so far.					
13	I feel loyal to my currently used smartphone brand.					
14	I feel the operating system that I use is now safer than the operating system on the Xiaomi smartphone.					

Switching Intention (Y)

Number	Statement	Answer				
		SD	D	N	A	SA

15	My probability of switching to the Xiaomi smartphone brand in the future is huge.					
16	The product offering on my currently used smartphone brand is limited, as such it allows me to switch to the Xiaomi smartphone brand.					
17	I feel confident that Xiaomi will provide me a better smartphone experience than the current one.					
18	I feel that the smartphone brand I'm using now has a boring aesthetics.					

- Thank You -

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KUESIONER (Indonesia)

Niat Untuk Beralih ke Smartphone Merek Xiaomi

Studi pada pengguna Smartphone di Masyarakat Kota Malang

Kepada Yth. Bapak/Ibu/Saudara/Saudari

Bersama ini saya Satya Rasyid Triabadi mahasiswa jurusan Manajemen Fakultas Ekonomi dan Bisnis Universias Brawijaya Malang, bermaksud mengadakan penelitian skripsi untuk mengetahui Switching Intention (Niat Untuk Beralih) dari merek Smartphone lain ke merek Smartphone Xiaomi. Penelitian ini dilakukan untuk memenuhi tugas akhir dan sebagai salah satu syarat untuk memperoleh gelar sarjana (S1) pada Fakultas Ekonomi dan Bisnis Universitas Brawijaya.

Mengingat penelitian ini ditujukan untuk kepentingan akademik, diharapkan saudara/saudari berkenan untuk mengisi seluruh daftar pertanyaan yang tertera pada kuesioner ini sebaik-baiknya. Identitas saudara/saudari akan kami jamin kerahasiaannya. Atas perhatian, kerjasama dan kesediaan saudara/saudari, kami ucapkan terima kasih.

Malang, 12 Maret 2018

Peneliti

Satya Rasyid Triabadi

NIM: 115020207121010

I. IDENTITAS RESPONDEN

Nama : .....

Merek Smartphone Yang Sedang Digunakan Saat Ini : ☐ Samsung ☐ Apple ☐ Oppo ☐ Vivo ☐ Asus ☐ Merk Lainnya

Jenis Kelamin : ☐ Pria ☐ Wanita

Usia : ☐ ≥15-20 ☐ 21-25 ☐ > 40 ☐ 26-30 ☐ 31-40

Pendapatan Perbulan :
☐ > Rp. 500.000 - Rp. 1.500.000
☐ ≥ Rp 1.500.001 - Rp. 2.500.000
☐ ≥ Rp. 2.500.001 - Rp. 3.500.000
☐ ≥ Rp. 3.500.001 - Rp. 4.500.000
☐ ≥ Rp. 4.500.001 - Rp. 5.500.000
☐ > Rp. 5.500.001

PETUNJUK PENGISIAN

- **Berilah tanda centang (✓) pada jawaban yang anda pilih**
- **SS** bila anda menyatakan Sangat Setuju terhadap pernyataan.
- **S** bila anda menyatakan Setuju terhadap pernyataan.
- **N** bila anda menyatakan Netral terhadap pernyataan.
- **TS** bila anda menyatakan Tidak Setuju terhadap pernyataan.
- **STS** bila anda menyatakan Sangat Tidak Setuju terhadap pernyataan.

Service Quality

No	Pernyataan	Jawaban				
		STS	TS	N	S	SS
1	Saya merasa responsivitas purna jual yang saya dapatkan dari merek smartphone yang saya pakai sekarang sudah sangat baik.					
2	Saya merasa garansi yang diberikan dari merek smartphone yang saya pakai sekarang sudah sangat baik.					
3	Saya merasa adanya build quality dan estetika yang baik pada material dari produk smartphone yang saya pakai sekarang.					
4	Saya dapat mengandalkan customer service dari merek smartphone yang saya gunakan sekarang kapan saja.					
5	Saya merasa adanya perhatian dan kepedulian yang personal dari pelayanan purna jual pada merek smartphone yang saya gunakan sekarang.					

Switching Cost

No	Pernyataan	Jawaban				
		STS	TS	N	S	SS
6	Saya merasa berat untuk belajar menggunakan user interface smartphone baru dengan merek yang berbeda.					
7	Saya merasakan ketidakpastian pada merek smartphone lain yang belum pernah saya gunakan sebelumnya.					
8	Smartphone yang saya gunakan sekarang kompatible dengan gadget saya yang lain sehingga sulit untuk berpindah ke merek Xiaomi.					

Customer Satisfaction

No	Pernyataan	Jawaban				
		STS	TS	N	S	SS
9	Servis purna jual yang ditawarkan dari merek smartphone yang saya pakai sekarang memuaskan.					
10	Produk smartphone pada merek yang saya gunakan sekarang memenuhi permintaan saya dalam realita penggunaan sehari-hari.					
11	Produk smartphone pada merek yang saya gunakan sekarang memenuhi harapan saya dalam realita penggunaan sehari-hari.					

Switching Barriers

No	Pernyataan	Jawaban				
		STS	TS	N	S	SS
12	Saya merasa percaya diri bahwa merek smartphone yang saya gunakan adalah pembelian yang terbaik sejauh ini.					
13	Saya merasakan loyalitas pada merek smartphone yang saya gunakan sekarang.					
14	Saya merasa sistem operasi yang saya gunakan sekarang lebih aman dibandingkan sistem operasi pada smartphone Xiaomi.					

Switching Intention

No	Pernyataan	Jawaban				
		STS	TS	N	S	SS
15	Probabilitas saya untuk berpindah ke merek smartphone Xiaomi di kemudian hari sangat besar.					

16	Pilihan produk pada merek yang saya gunakan sekarang tidak terlalu banyak sehingga memungkinkan saya untuk berpindah ke merek smartphone Xiaomi.					
17	Saya merasa percaya diri bahwa Xiaomi akan memberikan pengalaman penggunaan smartphone yang lebih baik dari yang sekarang.					
18	Saya merasa bahwa merek smartphone yang saya gunakan sekarang memiliki bentuk yang membosankan.					

- Terima Kasih -

APPENDICES 2

Disribution Table of Respondents Answer

Frequencies

Statistics

	N		
	Valid	Missing	Mean
X1.1	150	0	1.8600
X1.2	150	0	2.0800
X1.3	150	0	1.8667
X1.4	150	0	1.9000
X1.5	150	0	1.8200
X2.1	150	0	1.9267
X2.2	150	0	1.8067
X2.3	150	0	1.8933
Z1.1	150	0	1.8333
Z1.2	150	0	1.9667
Z1.3	150	0	1.8800
Z2.1	150	0	1.8867
Z2.2	150	0	1.9067
Z2.3	150	0	1.9133
Y1.1	150	0	4.2200
Y1.2	150	0	3.9267
Y1.3	150	0	4.1467
Y1.4	150	0	4.2667

Frequency Table

X1.1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	40	26.7	26.7	26.7
	2.00	95	63.3	63.3	90.0
	3.00	12	8.0	8.0	98.0
	4.00	2	1.3	1.3	99.3
	5.00	1	.7	.7	100.0
	Total	150	100.0	100.0	

X1.2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	21	14.0	14.0	14.0
	2.00	102	68.0	68.0	82.0
	3.00	22	14.7	14.7	96.7
	4.00	4	2.7	2.7	99.3
	5.00	1	.7	.7	100.0
	Total	150	100.0	100.0	

X1.3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	35	23.3	23.3	23.3
	2.00	103	68.7	68.7	92.0
	3.00	10	6.7	6.7	98.7
	4.00	1	.7	.7	99.3
	5.00	1	.7	.7	100.0
	Total	150	100.0	100.0	

X1.4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	33	22.0	22.0	22.0
	2.00	101	67.3	67.3	89.3
	3.00	15	10.0	10.0	99.3
	5.00	1	.7	.7	100.0
	Total	150	100.0	100.0	

X1.5

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	43	28.7	28.7	28.7
	2.00	93	62.0	62.0	90.7
	3.00	13	8.7	8.7	99.3
	5.00	1	.7	.7	100.0
	Total	150	100.0	100.0	

X2.1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	34	22.7	22.7	22.7
	2.00	97	64.7	64.7	87.3
	3.00	16	10.7	10.7	98.0
	4.00	2	1.3	1.3	99.3
	5.00	1	.7	.7	100.0
	Total	150	100.0	100.0	

X2.2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	46	30.7	30.7	30.7
	2.00	90	60.0	60.0	90.7
	3.00	12	8.0	8.0	98.7
	4.00	1	.7	.7	99.3
	5.00	1	.7	.7	100.0
	Total	150	100.0	100.0	

X2.3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	33	22.0	22.0	22.0
	2.00	102	68.0	68.0	90.0
	3.00	14	9.3	9.3	99.3
	5.00	1	.7	.7	100.0
	Total	150	100.0	100.0	

Z1.1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	39	26.0	26.0	26.0
	2.00	99	66.0	66.0	92.0
	3.00	11	7.3	7.3	99.3
	5.00	1	.7	.7	100.0
	Total	150	100.0	100.0	

Z1.2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	37	24.7	24.7	24.7
	2.00	85	56.7	56.7	81.3
	3.00	25	16.7	16.7	98.0
	4.00	2	1.3	1.3	99.3
	5.00	1	.7	.7	100.0
	Total	150	100.0	100.0	

Z1.3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	35	23.3	23.3	23.3
	2.00	103	68.7	68.7	92.0
	3.00	8	5.3	5.3	97.3
	4.00	3	2.0	2.0	99.3
	5.00	1	.7	.7	100.0
	Total	150	100.0	100.0	

Z2.1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	37	24.7	24.7	24.7
	2.00	95	63.3	63.3	88.0
	3.00	17	11.3	11.3	99.3
	5.00	1	.7	.7	100.0
	Total	150	100.0	100.0	

Z2.2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	32	21.3	21.3	21.3
	2.00	103	68.7	68.7	90.0
	3.00	13	8.7	8.7	98.7
	4.00	1	.7	.7	99.3
	5.00	1	.7	.7	100.0
	Total	150	100.0	100.0	

Z2.3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	38	25.3	25.3	25.3
	2.00	91	60.7	60.7	86.0
	3.00	18	12.0	12.0	98.0
	4.00	2	1.3	1.3	99.3
	5.00	1	.7	.7	100.0
	Total	150	100.0	100.0	

Y1.1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	1	.7	.7	.7
	2.00	1	.7	.7	1.3
	3.00	10	6.7	6.7	8.0
	4.00	90	60.0	60.0	68.0
	5.00	48	32.0	32.0	100.0
	Total	150	100.0	100.0	

Y1.2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	2	1.3	1.3	1.3
	2.00	9	6.0	6.0	7.3
	3.00	26	17.3	17.3	24.7
	4.00	74	49.3	49.3	74.0
	5.00	39	26.0	26.0	100.0
	Total	150	100.0	100.0	

Y1.3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	1	.7	.7	.7
	2.00	1	.7	.7	1.3
	3.00	8	5.3	5.3	6.7
	4.00	105	70.0	70.0	76.7
	5.00	35	23.3	23.3	100.0
	Total	150	100.0	100.0	

Y1.4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	1	.7	.7	.7
	2.00	1	.7	.7	1.3
	3.00	6	4.0	4.0	5.3
	4.00	91	60.7	60.7	66.0
	5.00	51	34.0	34.0	100.0
	Total	150	100.0	100.0	

APPENDICES 3

Validity and Reliability Test

Correlations

Correlations

		X1
X1.1	Pearson Correlation	.778**
	Sig. (2-tailed)	.000
	N	150
X1.2	Pearson Correlation	.750**
	Sig. (2-tailed)	.000
	N	150
X1.3	Pearson Correlation	.789**
	Sig. (2-tailed)	.000
	N	150
X1.4	Pearson Correlation	.798**
	Sig. (2-tailed)	.000
	N	150
X1.5	Pearson Correlation	.707**
	Sig. (2-tailed)	.000
	N	150

**. Correlation is significant at the 0.01 level

Reliability

Case Processing Summary

		N	%
Cases	Valid	150	100.0
	Excluded[a]	0	.0
	Total	150	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.821	5

Correlations

Correlations

		X2
X2.1	Pearson Correlation	.842**
	Sig. (2-tailed)	.000
	N	150
X2.2	Pearson Correlation	.855**
	Sig. (2-tailed)	.000
	N	150
X2.3	Pearson Correlation	.843**
	Sig. (2-tailed)	.000
	N	150

**. Correlation is significant at the 0.01 level

Reliability

Case Processing Summary

		N	%
Cases	Valid	150	100.0
	Excluded[a]	0	.0
	Total	150	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.801	3

Correlations

Correlations

		Z1
Z1.1	Pearson Correlation	.763**
	Sig. (2-tailed)	.000
	N	150
Z1.2	Pearson Correlation	.824**
	Sig. (2-tailed)	.000
	N	150
Z1.3	Pearson Correlation	.825**
	Sig. (2-tailed)	.000
	N	150

**. Correlation is significant at the 0.01 level

Reliability

Case Processing Summary

		N	%
Cases	Valid	150	100.0
	Excluded[a]	0	.0
	Total	150	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.725	3

Correlations

Correlations

		Z2
Z2.1	Pearson Correlation	.879**
	Sig. (2-tailed)	.000
	N	150
Z2.2	Pearson Correlation	.867**
	Sig. (2-tailed)	.000
	N	150
Z2.3	Pearson Correlation	.840**
	Sig. (2-tailed)	.000
	N	150

**. Correlation is significant at the 0.01 level

Reliability

Case Processing Summary

		N	%
Cases	Valid	150	100.0
	Excluded[a]	0	.0
	Total	150	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.824	3

Correlations

Correlations

		Y
Y1.1	Pearson Correlation	.801**
	Sig. (2-tailed)	.000
	N	150
Y1.2	Pearson Correlation	.737**
	Sig. (2-tailed)	.000
	N	150
Y1.3	Pearson Correlation	.818**
	Sig. (2-tailed)	.000
	N	150
Y1.4	Pearson Correlation	.781**
	Sig. (2-tailed)	.000
	N	150

**. Correlation is significant at the 0.01 level

Reliability

Case Processing Summary

		N	%
Cases	Valid	150	100.0
	Excluded[a]	0	.0
	Total	150	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.769	4

APPENDICES 4

Partial Least Square Analysis

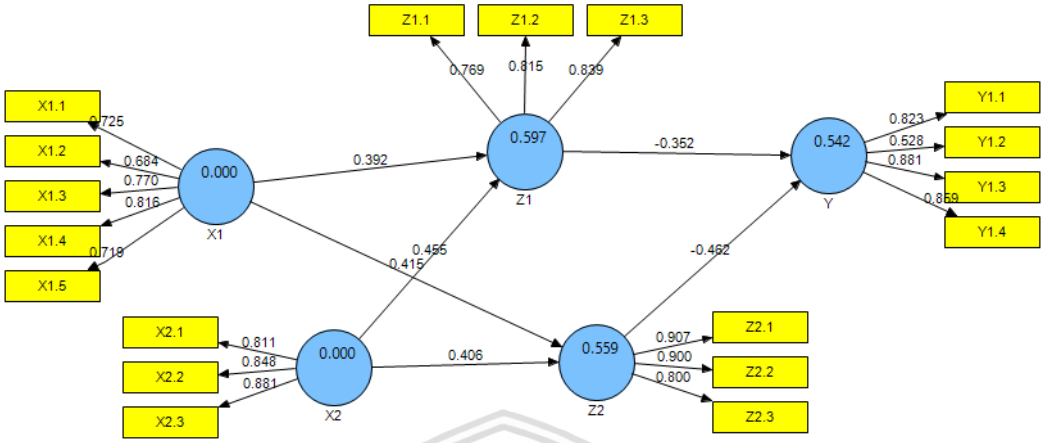
(Inner and Outer Models)

Outer Model

	X1	X2	Y	Z1	Z2
X1.1	**0.7578**	0.4793	-0.5199	0.4409	0.5387
X1.2	**0.7165**	0.4053	-0.535	0.4495	0.455
X1.3	**0.79**	0.554	-0.5201	0.5624	0.4738
X1.4	**0.823**	0.5779	-0.6194	0.5913	0.6186
X1.5	**0.7296**	0.6278	-0.6043	0.6243	0.5709
X2.1	0.6234	**0.829**	-0.5856	0.5959	0.5702
X2.2	0.5363	**0.8513**	-0.5379	0.6519	0.5588
X2.3	0.6229	**0.86**	-0.6145	0.6136	0.6562
Y1.1	-0.5624	-0.5517	**0.8193**	-0.5119	-0.5901
Y1.2	-0.3454	-0.2865	**0.5635**	-0.3096	-0.2729
Y1.3	-0.6755	-0.5982	**0.8821**	-0.5952	-0.65
Y1.4	-0.6742	-0.6458	**0.8544**	-0.5913	-0.6179
Z1.1	0.5094	0.5409	-0.4472	**0.7571**	0.4702
Z1.2	0.6171	0.5796	-0.5467	**0.8112**	0.5968
Z1.3	0.5765	0.6439	-0.5771	**0.8441**	0.5258
Z2.1	0.6173	0.6611	-0.6092	0.5727	**0.8906**
Z2.2	0.6556	0.6987	-0.6343	0.6442	**0.8897**
Z2.3	0.5346	0.4352	-0.5773	0.4823	**0.8043**

	X1	X2	Y	Z1	Z2
X1	1	0	0	0	0
X2	0.7015	1	0	0	0
Y	-0.7368	-0.6843	1	0	0
Z1	0.7071	0.7326	-0.6545	1	0
Z2	0.7018	0.7039	-0.7039	0.6616	1

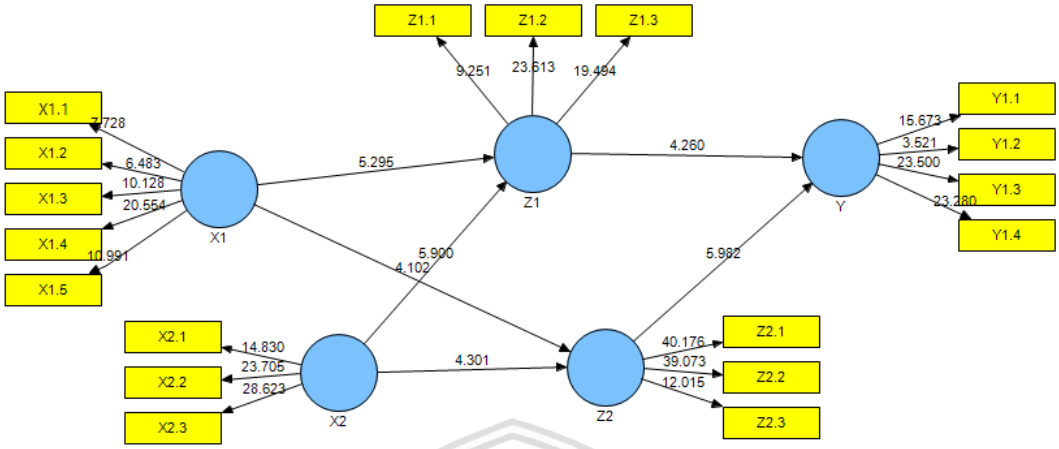
Konstruk	AVE	Composite Reliability	R Square	Cronbachs Alpha	Communality	Redundancy
X1	0.5843	0.8751	0	0.8221	0.5843	0
X2	0.7172	0.8838	0	0.8028	0.7172	0
Z1	0.6479	0.8464	0.6103	0.7282	0.6479	0.2544
Z2	0.7439	0.8968	0.5807	0.8275	0.7439	0.302
Y	0.6243	0.8662	0.5589	0.7958	0.6243	0.2023



Inner Model

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (|O/STERR|)
X1.1 <- X1	0.7578	0.7424	0.0621	0.0621	12.2117
X1.2 <- X1	0.7165	0.7057	0.0673	0.0673	10.646
X1.3 <- X1	0.79	0.7806	0.0568	0.0568	13.9169
X1.4 <- X1	0.823	0.8221	0.0374	0.0374	21.9849
X1.5 <- X1	0.7296	0.7253	0.0647	0.0647	11.2718
X2.1 <- X2	0.829	0.8257	0.0403	0.0403	20.5776
X2.2 <- X2	0.8513	0.8474	0.034	0.034	25.0732
X2.3 <- X2	0.86	0.8559	0.0334	0.0334	25.7407
Y1.1 <- Y	0.8193	0.8159	0.0516	0.0516	15.8672
Y1.2 <- Y	0.5635	0.5421	0.1072	0.1072	5.2553
Y1.3 <- Y	0.8821	0.8764	0.0282	0.0282	31.2666
Y1.4 <- Y	0.8544	0.852	0.0343	0.0343	24.9175
Z1.1 <- Z1	0.7571	0.7451	0.0853	0.0853	8.8784
Z1.2 <- Z1	0.8112	0.8098	0.037	0.037	21.9186
Z1.3 <- Z1	0.8441	0.8385	0.0393	0.0393	21.4869
Z2.1 <- Z2	0.8906	0.8912	0.0245	0.0245	36.3442
Z2.2 <- Z2	0.8897	0.8883	0.0238	0.0238	37.3359
Z2.3 <- Z2	0.8043	0.7911	0.0552	0.0552	14.5818

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (|O/STERR|)
X1 -> Z1	0.3804	0.3717	0.0704	0.0704	5.4046
X1 -> Z2	0.4096	0.4065	0.0964	0.0964	4.2488
X2 -> Z1	0.4658	0.4667	0.0716	0.0716	6.5046
X2 -> Z2	0.4166	0.4175	0.0848	0.0848	4.9121
Z1 -> Y	-0.3358	-0.3298	0.0711	0.0711	4.7234
Z2 -> Y	-0.4818	-0.4771	0.0709	0.0709	6.7983


Z1.1
Z1.2
Z1.3
9.251
23.613
19.494
X1.1
X1.2
X1.3
X1.4
X1.5
7.728
6.483
10.128
20.554
10.991
X1
5.295
Z1
4.260
Y
Y1.1
Y1.2
Y1.3
Y1.4
15.673
3.521
23.500
23.280
5.900
4.102
5.982
X2.1
X2.2
X2.3
14.830
23.705
28.623
X2
4.301
Z2
40.176
39.073
12.015
Z2.1
Z2.2
Z2.3